



# Journal of the Senate

State of Indiana

115th General Assembly

Second Regular Session

Twenty-first Meeting Day

Monday Afternoon

February 25, 2008

The Senate convened at 2:55 p.m., with the President of the Senate, Rebecca S. Skillman, in the Chair.

Prayer was offered by Senator Vaneta G. Becker.

The Pledge of Allegiance to the Flag was led by Senator Becker.

The Chair ordered the roll of the Senate to be called. Those present were:

Alting	Long
Arnold	Lubbers
Becker	Meeks <input checked="" type="checkbox"/>
Boots	Merritt
Bray	Miller
Breaux	Mishler
Broden	Mrvan
Charbonneau	Nugent
Deig	Paul
Delph	Riegsecker
Dillon	Rogers
Drozda	Simpson
Errington	Sipes
Ford <input checked="" type="checkbox"/>	Skinner
Gard	Smith
Hershman	Steele
Howard <input checked="" type="checkbox"/>	Tallian
Hume	Walker
Jackman <input checked="" type="checkbox"/>	Waltz
Kenley	Waterman
Kruse	Weatherwax
Lanane	Wyss
Landske	Young, M.
Lawson	Young, R.
Lewis	Zakas

Roll Call 238: present 46; excused 4. [Note: A ☒ indicates those who were excused.] The Chair announced a quorum present. Pursuant to Senate Rule 5(d), no motion having been heard, the Journal of the previous day was considered read.

## RESOLUTIONS ON FIRST READING

### Senate Concurrent Resolution 43

Senate Concurrent Resolution 43, introduced by Senators Lubbers and Simpson:

A CONCURRENT RESOLUTION congratulating the Indiana Community Arts Leadership Award Recipients for 2008.

*Whereas, The Indiana Coalition for the Arts Foundation represents hundreds of individuals, nonprofit organizations, and*

*arts-related businesses from all over the State of Indiana;*

*Whereas, The arts promote local economic activity through arts-related spending and cultural tourism. Indiana is home to 7,900 arts-related businesses that employ over 50,000 Hoosiers and generate over one billion dollars in local economic activity;*

*Whereas, The Indiana Community Arts Leadership Award honors individuals who, through their donations of time, resources or leadership, have been instrumental in creating, promoting, or developing local arts activities in their communities;*

*Whereas, This year's Community Arts Leadership Award recipients include: Outstanding Arts Administrator, presented to Phillip Colglazier of Fort Wayne; Outstanding Arts Advocate, presented to Bart Peterson of Indianapolis; Outstanding Arts Educator, presented to Terry Whitt Bailey of Muncie; and Outstanding Arts Volunteer Leader, presented to Linda Vanderkolk of Lafayette; and*

*Whereas, This year's recipients are all outstanding citizens who commit their time and talents to make a difference in their communities. Their efforts to enrich the cultural and artistic landscape of Indiana inspire us and are worthy of recognition: Therefore,*

*Be it resolved by the Senate of the General Assembly of the State of Indiana, the House of Representatives concurring:*

SECTION 1. That the Indiana General Assembly congratulates the Indiana Community Arts Leadership Award Recipients for 2008.

SECTION 2. The Secretary of the Senate is hereby directed to transmit a copy of this Resolution to Chairman of the Indiana Coalition for the Arts Foundation, Wieke Benjamin, and the recipients of the Indiana Community Arts Leadership Award.

The resolution was read in full and adopted by voice vote. The Chair instructed the Secretary to inform the House of the passage of the resolution. House sponsors: Representatives Klinker, Koch, Avery, and Hoy.

### Senate Resolution 35

Senate Resolution 35, introduced by Senator Wyss:

A SENATE RESOLUTION honoring Donald W. Moreau, Sr. for his distinguished public service career upon his 80th/20th birthday.

*Whereas, Donald W. Moreau, Sr., spent his first career in*

*military service, enlisting in the U.S. Navy in 1945 at age 17 and serving in the Pacific Theater in World War II aboard the USS Cecil J. Doyle and witnessing the Japanese surrender of Tokyo Bay on September 2, 1945, and received a direct commission into the U.S. Army in 1948, and rose to the rank of Colonel following service in Korea and Vietnam, retiring in 1973 with almost 28 years of credited service and 30% permanent disability due to his combat injuries;*

*Whereas, Col. Moreau spent his second career in service to the State of Indiana as executive director of the Department of Commerce, executive director of the State Student Assistance Commission, general manager of the Toll Road, executive director of the Emergency Medical Services Commission, the Commissioner of the Department of Labor, executive director of the State Fair, and project director of the Vietnam & Korean Wars Memorial Committee;*

*Whereas, Col. Moreau received the Sagamore of the Wabash award from Governors Bowen, Orr, Bayh, O'Bannon, and Kernan for his service to the State of Indiana;*

*Whereas, Col. Moreau's last full-time job was President/CEO of the Hoosier Veterans Assistance Foundation, where he dedicated himself to serving homeless veterans;*

*Whereas, Col. Moreau was born on February 29, 1928, making him a "Leap Year Baby"; and*

*Whereas, Col. Moreau will turn 80 on February 29, 2008—or 20, as he insists: Therefore,*

*Be it resolved by the Senate of the  
General Assembly of the State of Indiana:*

SECTION 1. That the Indiana Senate commends Donald W. Moreau, Sr. for his distinguished career in public service upon his 80th/20th birthday.

SECTION 2. The Secretary of the Senate is hereby directed to transmit a copy of this Resolution to Colonel Donald W. Moreau.

The resolution was read in full and adopted by voice vote.

## REPORTS FROM COMMITTEES

### COMMITTEE REPORT

Madam President: The Senate Committee on Rules and Legislative Procedure reports that, pursuant to Senate Rule 33(c), the following technical corrections are to be made to Engrossed House Bill 1250.

Page 7, line 32, delete "the county" and insert **"a political subdivision receiving a distribution under this chapter"**.

Reunumber all SECTIONS consecutively.  
(Reference is to EHB 1250 as reprinted February 22, 2008.)

LONG

Report adopted.

## SENATE MOTION

Madam President: I move that Engrossed House Bill 1125, which is eligible for third reading, be returned to second reading for purposes of amendment.

KENLEY

Motion prevailed.

## ENGROSSED HOUSE BILLS ON SECOND READING

### Engrossed House Bill 1001

Senator Kenley called up Engrossed House Bill 1001 for second reading. The bill was read a second time by title.

## SENATE MOTION (Amendment 1001-9)

Madam President: I move that Engrossed House Bill 1001 be amended to read as follows:

Page 34, line 29, after "section" insert **", IC 36-7-12-27,"**.

Page 43, line 37, after "chapter" delete "." and insert **", after subtracting any distributions to the unit from the public deposit insurance fund that will be used for benefit payments."**

Page 44, delete lines 8 through 10.

Page 45, between lines 21 and 22, begin a new paragraph and insert:

"SECTION 36. IC 5-13-12-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. (a) The secretary-investment manager shall administer, manage, and direct the affairs and activities of the board under the policies and under the control and direction of the board. In carrying out these duties, the secretary-investment manager has the power to do the following:

(1) Approve all accounts for salaries and allowable expenses of the board, including, but not limited to:

- (A) the employment of general or special attorneys, consultants, and employees and agents as may be necessary to assist the secretary-investment manager in carrying out the duties of that office and to assist the board in its consideration of applications for a guarantee of an industrial development obligation or credit enhancement obligation guarantee; and
- (B) the setting of compensation of persons employed under ~~subdivision~~ **clause (A)**.

(2) Approve all expenses incidental to the operation of the public deposit insurance fund.

(3) Perform other duties and functions that may be delegated to the secretary-investment manager by the board or that are necessary to carry out the duties of the secretary-investment manager under this chapter.

(b) The secretary-investment manager shall keep a record of the proceedings of the board, and shall maintain and be custodian of all books, documents, and papers filed with the board, and its official seal. The secretary-investment manager may make copies of all minutes and other records and documents of the board, and may give certificates under seal of the board to the effect that the copies are true copies. All persons dealing with the board may

rely upon the certificates.

(c) Each year, beginning in 2001 and ending in ~~2011~~, **2021**, after the treasurer of state prepares the annual report required by IC 4-8.1-2-14, the secretary-investment manager shall determine:

(1) the amount of interest earned by the public deposit insurance fund during the state fiscal year ending on the preceding June 30, after deducting:

(A) all expenses and other costs of the board for depositories that were not paid from other sources during that state fiscal year; and

(B) all expenses and other costs associated with the Indiana education savings authority that were not paid from other sources during that state fiscal year; and

(2) the amount of interest earned during the state fiscal year ending on the preceding June 30 by the pension distribution fund established by subsection (g).

(d) On or before November 1 of each year, beginning in 2001 and ending in ~~2011~~, **2021**, the public employees' retirement fund shall provide a report to the secretary-investment manager concerning the individual and aggregate payments made by all units of local government (as defined in IC 5-10.3-11-3) during the preceding calendar year for benefits under the police and firefighter pension funds established by IC 36-8-6, IC 36-8-7, and IC 36-8-7.5.

(e) On or before the last business day of November of each year, beginning in 2001 and ending in ~~2011~~, **2021**, the secretary-investment manager shall compute the amount of earned interest to be distributed under this section to each unit of local government (as defined in IC 5-10.3-11-3) in accordance with subsection (h) according to the following formula:

STEP ONE: Add the amount determined under subsection (c)(1) to the amount determined under subsection (c)(2).

STEP TWO: Divide the STEP ONE sum by the aggregate amount of payments made by all units of local government during the preceding calendar year for benefits under the police and firefighter pension funds established by IC 36-8-6, IC 36-8-7, and IC 36-8-7.5, as reported under subsection (d).

STEP THREE: Multiply the STEP TWO quotient by the amount of payments made by each unit of local government during the preceding calendar year for benefits under the police and firefighter pension funds established by IC 36-8-6, IC 36-8-7, and IC 36-8-7.5, as reported under subsection (d).

(f) Subject to subsection (j), on or before the last business day of December of each year, beginning in 2001 and ending in ~~2011~~, **2021**, the secretary-investment manager shall provide to the auditor of state:

(1) a report setting forth the amounts to be distributed to units of local government, as determined under subsection (e); and

(2) a check payable from the public deposit insurance fund to the pension distribution fund established by subsection (g) in an amount equal to the amount determined under subsection (c)(1).

(g) The pension distribution fund is established. The pension distribution fund shall be administered by the treasurer of state. The treasurer of state shall invest money in the pension

distribution fund not currently needed to meet the obligations of the pension distribution fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the pension distribution fund. Money in the pension distribution fund at the end of a state fiscal year does not revert to the state general fund.

(h) Subject to subsection (j), on June 30 and October 1 of each year, beginning in 2002 and ending in ~~2012~~, **2022**, the auditor of state shall distribute in two (2) equal installments from the pension distribution fund to the fiscal officer of each unit of local government identified under subsection (d) the amount computed for that unit under subsection (e) in November of the preceding year.

(i) Each unit of local government shall deposit distributions received under subsection (h) in the pension fund or funds identified by the secretary-investment manager and shall use those distributions to pay a portion of the obligations with respect to the pension fund or funds.

(j) Before providing a check to the auditor of state under subsection (f)(2) in December of any year, the secretary-investment manager shall determine:

(1) the total amount of payments made from the public deposit insurance fund under IC 5-13-13-3 after June 30, 2001;

(2) the total amount of payments received by the board for depositories and deposited in the public deposit insurance fund under IC 5-13-13-3 after June 30, 2001; and

(3) the total amount of interest earned by the public deposit insurance fund after the first of the payments described in subdivision (1).

If the total amount of payments determined under subdivision (1) less the total amount of payments determined under subdivision (2) (referred to in this subsection as the "net draw on the fund") exceeds ten million dollars (\$10,000,000) and also exceeds the total amount of interest determined under subdivision (3), the secretary-investment manager may not provide a check to the auditor of state under subsection (f)(2) and a distribution may not be made from the pension distribution fund under subsection (h) in the following calendar year until the total amount of interest earned by the public deposit insurance fund equals the net draw on the fund. A check may not be provided under subsection (f)(2) and a distribution may not be made under subsection (f) in any subsequent calendar year if a study conducted by the board under section 7(b) of this chapter demonstrates that payment of the distribution would reduce the balance of the public deposit insurance fund to a level insufficient to ensure the safekeeping and prompt payment of public funds to the extent they are not covered by insurance of any federal deposit insurance agency."

Page 102, line 1, strike "for property taxes first due and payable:".

Page 102, reset in roman line 5.

Page 102, line 5, after "(\$45,000)" delete ";" and insert ".".

Page 102, line 6, delete "(A)".

Page 102, line 6, strike "after December 31, 2008, and before January 1, 2010,".

Page 102, strike line 7.

Page 102, line 8, delete "(B)".

Page 102, line 8, strike "after December 31, 2009, and before

January 1, 2011,".

Page 102, strike line 9.

Page 102, line 10, delete "(C)".

Page 102, line 10, strike "after December 31, 2010, and before January 1, 2012,".

Page 102, strike line 11.

Page 102, line 12, delete "(D)".

Page 102, line 12, strike "after December 31, 2011, and before January 1, 2013,".

Page 102, strike line 13.

Page 102, line 14, delete "(E)".

Page 102, strike line 15.

Page 102, line 14, strike "after December 31, 2012, forty thousand dollars".

Page 102, between lines 22 and 23, begin a new paragraph and insert:

**"(e) The department of local government finance shall adopt rules or guidelines concerning the application for a deduction under this section.**

**(f) The county auditor may not grant an individual or a married couple a deduction under this section if:**

**(1) the individual or married couple, for the same year, claims the deduction on two (2) or more different applications for the deduction; and**

**(2) the applications claim the deduction for different property."**

Page 145, line 10, after "to" insert "civil taxing units located in".

Page 145, line 12, delete "A" and insert "This section applies to a".

Page 145, line 12, after "county" insert ". If a civil taxing unit will impose property taxes due and payable in the ensuing calendar year, the civil taxing unit".

Page 170, line 38, delete "The" and insert "Subject to subsection (d), the".

Page 171, line 13, delete "For" and insert "Subject to subsection (d), for".

Page 171, between lines 25 and 26, begin a new paragraph and insert:

**"(d) The exemptions under subsections (a) and (b) from the ad valorem property tax levy limits do not apply to a civil taxing unit that did not fund a community mental health center or community mental retardation and other developmental disabilities center in 2008."**

Page 174, line 4, delete "(or to the)".

Page 174, delete line 5.

Page 174, line 6, delete "13(a)(13) of this chapter".

Page 174, delete line 22.

Page 174, line 23, delete "section 13(a)(13) of this chapter".

Page 174, line 28, delete "(or the distressed unit appeal board in the case of an appeal".

Page 174, line 29, delete "under section 13(a)(13) of this chapter".

Page 174, line 32, delete "(or".

Page 174, delete line 33.

Page 174, line 34, delete "section 13(a)(13) of this chapter".

Page 175, line 41, delete "(or the distressed unit appeal board, in".

Page 175, line 42, delete "the case of an appeal under subdivision (13))".

Page 182, line 35, strike "A levy increase may not be granted under this subdivision".

Page 182, line 36, strike "for property taxes first due and payable after December 31,".

Page 182, line 37, delete "2008."

Page 183, line 16, delete ". The distressed unit appeal" and insert **"due to a natural disaster, an accident, or another unanticipated emergency."**

Page 183, delete lines 17 through 18.

Page 188, line 24, delete "the adoption of the" and insert **"receipt of a written request from the political subdivision proposing"**.

Page 188, line 25, delete "preliminary resolution".

Page 188, between lines 41 and 42, begin a new line double block indented and insert:

**"If the Indiana economic development corporation does not issue or deny the requested finding within fifteen (15) days after receiving the political subdivision's written request, the project is not considered a controlled project for purposes of this chapter."**

Page 189, line 7, after "operation" delete "of" and insert "or".

Page 189, between lines 12 and 13, begin a new line double block indented and insert:

**"(D) The project is to be financed with bonds issued or a lease entered into during the one (1) year period described in this clause. The political subdivision may make a written request to the Indiana economic development corporation for a finding stating that none of the projects in a specified allocation area are to be considered controlled projects for purposes of this chapter if the bonds or leases for the projects are issued or entered into during a one (1) year period specified by the corporation. Before making a finding under this clause, the Indiana economic development corporation must consider whether the issuance of the finding will:**

**(i) lead to increased investment in Indiana;**

**(ii) foster job creation or job retention in Indiana;**

**(iii) have a positive impact on the political subdivision in which the projects will be located; or**

**(iv) otherwise benefit the people of Indiana by increasing opportunities for employment in Indiana and strengthening the economy of Indiana.**

**If the Indiana economic development corporation does not issue or deny the requested finding within fifteen (15) days after receiving the political subdivision's written request, projects in the allocation area described in the request are not considered controlled projects for purposes of this chapter during the one (1) year period following the corporation's receipt of the request."**

Page 202, line 24, delete "The" and insert **"However, after the county voter registration office has determined that at**

least one hundred twenty-five (125) persons who signed the petition are registered voters within the political subdivision, the county voter registration office is not required to verify whether the remaining persons who signed the petition are registered voters. If the county voter registration office does not determine that at least one hundred twenty-five (125) persons who signed the petition are registered voters, the".

Page 202, line 38, after "after" insert **"determining that at least one hundred twenty-five (125) persons who signed the petition are registered voters or after"**.

Page 202, line 39, after "(8)" delete "," and insert " (as applicable),".

Page 202, line 40, delete "the number of petitioners who are registered" and insert **"whether a sufficient number of persons have signed the petition."**

Page 202, delete lines 41 through 42.

Page 203, delete line 1.

Page 215, line 17, strike "and".

Page 215, line 20, delete "." and insert "; and".

Page 215, between lines 20 and 21, begin a new line block indented and insert:

**"(3) shall provide that some or all of the property taxes that:**

**(A) are being imposed to pay bonds, leases, or other debt obligations; and**

**(B) would otherwise be included in the calculation of the credit under IC 6-1.1-20.6 in the county;**

**shall not be included for purposes of calculating a person's credit under IC 6-1.1-20.6."**

Page 217, line 4, delete "six (6)" and insert **"eight (8)"**.

Page 217, between lines 7 and 8, begin a new paragraph and insert:

**"SECTION 210. IC 6-1.1-20.6-2.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2.4. As used in this chapter:**

**(1) "manufactured home" has the meaning set forth in IC 22-12-1-16; and**

**(2) "mobile home" has the meaning set forth in IC 16-41-27-4."**

Page 217, line 38, delete "either" and insert **"any"**.

Page 218, delete lines 5 through 42, begin a new line block indented and insert:

**"(3) Land rented or leased for the placement of a manufactured home or mobile home.**

**SECTION 212. IC 6-1.1-20.6-7, AS AMENDED BY P.L.224-2007, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 7. (a) This subsection expires January 1, 2009.** In the case of a credit authorized under section 6 of this chapter or provided by section 6.5(a) or 6.5(b) of this chapter for property taxes first due and payable in a calendar year:

(1) a person is entitled to a credit against the person's property tax liability for property taxes first due and payable in that calendar year attributable to

(A) the person's qualified residential property located in the county, in the case of a calendar year before 2008; or

(B) the person's homestead. (as defined in IC 6-1.1-20.9-1) property located in the county, in the case of a calendar year after 2007 and before ~~2010~~; **2009**; and

(2) the amount of the credit is the amount by which the person's property tax liability attributable to

(A) the person's qualified residential property, in the case of a calendar year before 2008; or

(B) the person's homestead property, in the case of a calendar year after 2007 and before ~~2010~~; **2009**;

for property taxes first due and payable in that calendar year exceeds two percent (2%) of the gross assessed value that is the basis for determination of property taxes on the qualified residential property (in the case of a calendar year before 2008) or the person's homestead property (in the case of a calendar year after 2007 and before ~~2010~~) **2009**) for property taxes first due and payable in that calendar year, as adjusted under subsection (c): ~~(b).~~

~~(b)~~ **In the case of a credit provided by section 6.5(c) of this chapter for property taxes first due and payable in a calendar year:**

(1) a person is entitled to a credit against the person's property tax liability for property taxes first due and payable in that calendar year attributable to the person's real property and personal property located in the county; and

(2) the amount of the credit is equal to the following:

(A) In the case of property tax liability attributable to the person's homestead property, the amount of the credit is the amount by which the person's property tax liability attributable to the person's homestead property for property taxes first due and payable in that calendar year exceeds two percent (2%) of the gross assessed value that is the basis for determination of property taxes on the homestead property for property taxes first due and payable in that calendar year, as adjusted under subsection (c):

(B) In the case of property tax liability attributable to property other than homestead property, the amount of the credit is the amount by which the person's property tax liability attributable to the person's real property (other than homestead property) and personal property for property taxes first due and payable in that calendar year exceeds three percent (3%) of the gross assessed value that is the basis for determination of property taxes on the real property (other than homestead property) and personal property for property taxes first due and payable in that calendar year, as adjusted under subsection (c):

~~(c)~~ **(b) This subsection expires January 1, 2009.** This subsection applies to property taxes first due and payable after December 31, 2007, **and before January 1, 2009.** The amount of a credit to which a person is entitled under subsection (a) or (b) in a county shall be adjusted as determined in **STEP FIVE** of the following **STEPS**:

**STEP ONE:** Determine the total amount of the person's property tax liability described in subsection (a)(1) or (b)(1) (as applicable) that is for tuition support levy

property taxes:

**STEP TWO:** Determine the total amount of the person's property tax liability described in subsection (a)(1) or (b)(1) (as applicable):

**STEP THREE:** Determine the result of:

(A) the **STEP TWO** amount, minus

(B) the **STEP ONE** amount:

**STEP FOUR:** Determine the result of:

(A) the **STEP THREE** amount, divided by

(B) the **STEP TWO** amount:

**STEP FIVE:** Multiply the credit to which the person is entitled under subsection (a) or (b) by the **STEP FOUR** amount, without including a taxpayer's property tax liability for tuition support.

Notwithstanding any other provision of this chapter, a school corporation's tuition support property tax levy collections may not be reduced because of a credit under this chapter.

**(c) This subsection applies to property taxes first due and payable in 2009. A person is entitled to a credit against the person's property tax liability for property taxes first due and payable in 2009. The amount of the credit is the amount by which the person's property tax liability attributable to the person's:**

- (1) homestead exceeds one and five-tenths percent (1.5%);**
- (2) residential property exceeds two and five-tenths percent (2.5%);**
- (3) long term care property exceeds two and five-tenths percent (2.5%);**
- (4) agricultural land exceeds two and five-tenths percent (2.5%);**
- (5) nonresidential real property exceeds three percent (3%); or**
- (6) personal property exceeds three percent (3%);**

**of the gross assessed value of the property that is the basis for determination of property taxes for that calendar year.**

**(d) This subsection applies to property taxes first due and payable in 2009. Property taxes imposed after being approved by the voters in a referendum or local public question shall not be considered for purposes of calculating a person's credit under this section."**

Page 303, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 304. IC 6-3-4-16 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 16. For individual income tax returns filed after December 31, 2010, the department shall develop procedures to implement a system of crosschecks between:

- (1) employer WH-3 forms (annual withholding tax reports) with accompanying W-2 forms; and**
- (2) individual taxpayer W-2 forms.**

SECTION 305. IC 6-3-4-17 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 17. Beginning after December 31, 2010, the department and the office of management and budget shall:

- (1) develop a quarterly report that summarizes the amount reported to and processed by the department under sections 4.1(h) and 15.7(a)(3) of this chapter, IC 6-3.5-1.1-18(c), IC 6-3.5-6-22(c), IC 6-3.5-7-18(c), and IC 6-3.5-8-22(c) for each county; and**
- (2) make the quarterly report available to county auditors within forty-five (45) days after the end of the calendar quarter."**

Page 305, between lines 3 and 4, begin a new paragraph and insert:

"SECTION 308. IC 6-3.5-1.1-9, AS AMENDED BY P.L.224-2007, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. (a) Revenue derived from the imposition of the county adjusted gross income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it. The amount to be distributed to a county during an ensuing calendar year equals the amount of county adjusted gross income tax revenue that the department, after reviewing the recommendation of the budget agency, determines has been:

- (1) received from that county for a taxable year ending before the calendar year in which the determination is made; and
- (2) reported on an annual return or amended return processed by the department in the state fiscal year ending before July 1 of the calendar year in which the determination is made;

as adjusted (as determined after review of the recommendation of the budget agency) for refunds of county adjusted gross income tax made in the state fiscal year.

(b) Before August 2 of each calendar year, the department, after reviewing the recommendation of the budget agency, shall certify to the county auditor of each adopting county the amount determined under subsection (a) plus the amount of interest in the county's account that has accrued and has not been included in a certification made in a preceding year. The amount certified is the county's "certified distribution" for the immediately succeeding calendar year. The amount certified shall be adjusted under subsections (c), (d), (e), (f), (g), and (h). The department budget agency shall provide the county council with the certification an informative summary of the calculations used to determine the certified distribution. **The summary of calculations must include:**

- (1) the amount reported on individual income tax returns processed by the department during the previous fiscal year;**
- (2) adjustments for over distributions in prior years;**
- (3) adjustments for clerical or mathematical errors in prior years;**
- (4) adjustments for tax rate changes; and**
- (5) the amount of excess account balances to be distributed under IC 6-3.5-1.1-21.1.**

The department shall also certify information concerning the part of the certified distribution that is attributable to a tax rate under section 24, 25, or 26 of this chapter. This information must be certified to the county auditor and to the department of local government finance not later than September 1 of each calendar year. The part of the certified distribution that is attributable to

a tax rate under section 24, 25, or 26 of this chapter may be used only as specified in those provisions.

(c) The department shall certify an amount less than the amount determined under subsection (b) if the department, after reviewing the recommendation of the budget agency, determines that the reduced distribution is necessary to offset overpayments made in a calendar year before the calendar year of the distribution. The department, after reviewing the recommendation of the budget agency, may reduce the amount of the certified distribution over several calendar years so that any overpayments are offset over several years rather than in one (1) lump sum.

(d) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to correct for any clerical or mathematical errors made in any previous certification under this section. The department, after reviewing the recommendation of the budget agency, may reduce the amount of the certified distribution over several calendar years so that any adjustment under this subsection is offset over several years rather than in one (1) lump sum.

(e) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide the county with the distribution required under section 10(b) of this chapter.

(f) This subsection applies to a county that:

(1) initially imposes the county adjusted gross income tax; or

(2) increases the county adjusted income tax rate;

under this chapter in the same calendar year in which the department makes a certification under this section. The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The department shall provide for a full transition to certification of distributions as provided in subsection (a)(1) through (a)(2) in the manner provided in subsection (c).

(g) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide the county with the distribution required under section 3.3 of this chapter beginning not later than the tenth month after the month in which additional revenue from the tax authorized under section 3.3 of this chapter is initially collected.

(h) This subsection applies in the year in which a county initially imposes a tax rate under section 24 of this chapter. Notwithstanding any other provision, the department shall adjust the part of the county's certified distribution that is attributable to the tax rate under section 24 of this chapter to provide for a distribution in the immediately following calendar year equal to the result of:

(1) the sum of the amounts determined under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) in the year in which the county initially imposes a tax rate under section 24 of this chapter; multiplied by

(2) two (2)."

Page 314, line 18, delete "The" and insert **"Except as provided in subsection (j), the"**.

Page 314, line 20, strike "Any tax revenue that is attributable

to the tax rate under".

Page 314, strike lines 21 through 32.

Page 314, line 33, strike "this subdivision during that calendar year." and insert **"The local property tax replacement credits shall be treated for all purposes as property tax levies. The county auditor shall determine the local property tax replacement credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide local property tax replacement credits in that year."**

Page 317, between lines 24 and 25, begin a new line blocked left and insert:

**"The county council may before October 1 of a year adopt an ordinance changing the purposes for which tax revenue attributable to a tax rate under this section shall be used in the following year."**

Page 318, between lines 1 and 2, begin a new paragraph and insert:

**"(j) A taxpayer that owns an industrial plant located in Jasper County is ineligible for a local property tax replacement credit under this section against the property taxes due on the industrial plant if the assessed value of the industrial plant as of March 1, 2006, exceeds twenty percent (20%) of the total assessed value of all taxable property in the county on that date. The general assembly finds that the provisions of this subsection are necessary because the industrial plant represents such a large percentage of Jasper County's assessed valuation."**

Page 318, line 13, strike "political".

Page 318, line 14, strike "subdivisions" and insert **"civil taxing units"**.

Page 318, line 18, strike "political".

Page 318, line 19, strike "subdivisions" and insert **"civil taxing units"**.

Page 323, between lines 36 and 37, begin a new paragraph and insert:

**"SECTION 318. IC 6-3.5-6-17, AS AMENDED BY P.L.224-2007, SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 17. (a) Revenue derived from the imposition of the county option income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it. The amount that is to be distributed to a county during an ensuing calendar year equals the amount of county option income tax revenue that the department, after reviewing the recommendation of the budget agency, determines has been:**

**(1) received from that county for a taxable year ending in a calendar year preceding the calendar year in which the determination is made; and**

**(2) reported on an annual return or amended return processed by the department in the state fiscal year ending before July 1 of the calendar year in which the determination is made;**

**as adjusted (as determined after review of the recommendation of the budget agency) for refunds of county option income tax made in the state fiscal year.**

**(b) Before August 2 of each calendar year, the department, after reviewing the recommendation of the budget agency, shall**

certify to the county auditor of each adopting county the amount determined under subsection (a) plus the amount of interest in the county's account that has accrued and has not been included in a certification made in a preceding year. The amount certified is the county's "certified distribution" for the immediately succeeding calendar year. The amount certified shall be adjusted, as necessary, under subsections (c), (d), (e), and (f). The ~~department budget agency~~ shall provide ~~the county council~~ with ~~the certification~~ an informative summary of the calculations used to determine the certified distribution. **The summary of calculations must include:**

- (1) the amount reported on individual income tax returns processed by the department during the previous fiscal year;**
- (2) adjustments for over distributions in prior years;**
- (3) adjustments for clerical or mathematical errors in prior years;**
- (4) adjustments for tax rate changes; and**
- (5) the amount of excess account balances to be distributed under IC 6-3.5-6-17.3.**

The department shall also certify information concerning the part of the certified distribution that is attributable to a tax rate under section 30, 31, or 32 of this chapter. This information must be certified to the county auditor and to the department of local government finance not later than September 1 of each calendar year. The part of the certified distribution that is attributable to a tax rate under section 30, 31, or 32 of this chapter may be used only as specified in those provisions."

(c) The department shall certify an amount less than the amount determined under subsection (b) if the department, after reviewing the recommendation of the budget agency, determines that the reduced distribution is necessary to offset overpayments made in a calendar year before the calendar year of the distribution. The department, after reviewing the recommendation of the budget agency, may reduce the amount of the certified distribution over several calendar years so that any overpayments are offset over several years rather than in one (1) lump sum.

(d) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to correct for any clerical or mathematical errors made in any previous certification under this section. The department, after reviewing the recommendation of the budget agency, may reduce the amount of the certified distribution over several calendar years so that any adjustment under this subsection is offset over several years rather than in one (1) lump sum.

(e) This subsection applies to a county that:

- (1) initially imposed the county option income tax; or
- (2) increases the county option income tax rate;

under this chapter in the same calendar year in which the department makes a certification under this section. The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The department shall provide for a full transition to certification of distributions as provided in subsection (a)(1) through (a)(2) in the manner provided in subsection (c).

(f) This subsection applies in the year a county initially imposes a tax rate under section 30 of this chapter. Notwithstanding any other provision, the department shall adjust the part of the county's certified distribution that is attributable to the tax rate under section 30 of this chapter to provide for a distribution in the immediately following calendar year equal to the result of:

- (1) the sum of the amounts determined under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) in the year in which the county initially imposes a tax rate under section 30 of this chapter; multiplied by
- (2) the following:

(A) In a county containing a consolidated city, one and five-tenths (1.5).

(B) In a county other than a county containing a consolidated city, two (2).

(g) One-twelfth (1/12) of each adopting county's certified distribution for a calendar year shall be distributed from its account established under section 16 of this chapter to the appropriate county treasurer on the first day of each month of that calendar year.

(h) Upon receipt, each monthly payment of a county's certified distribution shall be allocated among, distributed to, and used by the civil taxing units of the county as provided in sections 18 and 19 of this chapter.

(i) All distributions from an account established under section 16 of this chapter shall be made by warrants issued by the auditor of state to the treasurer of state ordering the appropriate payments.

SECTION 319. IC 6-3.5-6-18, AS AMENDED BY P.L.224-2007, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 18. (a) The revenue a county auditor receives under this chapter shall be used to:

- (1) replace the amount, if any, of property tax revenue lost due to the allowance of an increased homestead credit within the county;
- (2) fund the operation of a public communications system and computer facilities district as provided in an election, if any, made by the county fiscal body under IC 36-8-15-19(b);
- (3) fund the operation of a public transportation corporation ~~as provided in an election, if any, made by the county fiscal body under IC 36-9-4-42~~, established under IC 36-9-4;
- (4) make payments permitted under IC 36-7-15.1-17.5;
- (5) make payments permitted under subsection (i);
- (6) make distributions of distributive shares to the civil taxing units of a county; and
- (7) make the distributions permitted under sections 27, 28, 29, 30, 31, 32, and 33 of this chapter.

(b) The county auditor shall retain from the payments of the county's certified distribution, an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. This money shall be distributed to the civil taxing units and school corporations of the county as though they were property tax collections and in such a manner that no civil taxing unit or school corporation shall suffer a net revenue loss due to the allowance of an increased homestead credit.



(c) The county auditor shall retain:

- (1) the amount, if any, specified by the county fiscal body for a particular calendar year under subsection (i), IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from the county's certified distribution for that same calendar year; and
- (2) the amount of an additional tax rate imposed under section 27, 28, 29, 30, 31, 32, or 33 of this chapter.

The county auditor shall distribute amounts retained under this subsection to the county.

(d) All certified distribution revenues that are not retained and distributed under subsections (b) and (c) shall be distributed to the civil taxing units of the county as distributive shares.

(e) The amount of distributive shares that each civil taxing unit in a county is entitled to receive during a month equals the product of the following:

- (1) The amount of revenue that is to be distributed as distributive shares during that month; multiplied by
- (2) A fraction. The numerator of the fraction equals the allocation amount for the civil taxing unit for the calendar year in which the month falls. The denominator of the fraction equals the sum of the allocation amounts of all the civil taxing units of the county for the calendar year in which the month falls.

(f) The department of local government finance shall provide each county auditor with the fractional amount of distributive shares that each civil taxing unit in the auditor's county is entitled to receive monthly under this section.

(g) Notwithstanding subsection (e), if a civil taxing unit of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which distributive shares are being distributed under this section, that civil taxing unit is entitled to receive a part of the revenue to be distributed as distributive shares under this section within the county. The fractional amount such a civil taxing unit is entitled to receive each month during that calendar year equals the product of the following:

- (1) The amount to be distributed as distributive shares during that month; multiplied by
- (2) A fraction. The numerator of the fraction equals the budget of that civil taxing unit for that calendar year. The denominator of the fraction equals the aggregate budgets of all civil taxing units of that county for that calendar year.

(h) If for a calendar year a civil taxing unit is allocated a part of a county's distributive shares by subsection (g), then the formula used in subsection (e) to determine all other civil taxing units' distributive shares shall be changed each month for that same year by reducing the amount to be distributed as distributive shares under subsection (e) by the amount of distributive shares allocated under subsection (g) for that same month. The department of local government finance shall make any adjustments required by this subsection and provide them to the appropriate county auditors.

(i) Notwithstanding any other law, a county fiscal body may pledge revenues received under this chapter (other than revenues attributable to a tax rate imposed under section 30, 31, or 32 of this chapter) to the payment of bonds or lease rentals to finance a qualified economic development tax project under IC 36-7-27

in that county or in any other county if the county fiscal body determines that the project will promote significant opportunities for the gainful employment or retention of employment of the county's residents."

Page 334, line 7, strike "civil taxing units and".

Page 334, strike lines 8 through 34.

Page 334, line 35, strike "property tax levies." and insert **"all taxpayers in the county. The local property tax replacement credits shall be treated for all purposes as property tax levies. The county auditor shall determine the local property tax replacement credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide local property tax replacement credits in that year."**

Page 337, between lines 40 and 41, begin a new line blocked left and insert:

**"The county income tax council may before October 1 of a year adopt an ordinance changing the purposes for which tax revenue attributable to a tax rate under this section shall be used in the following year."**

Page 343, between lines 34 through 35, begin a new paragraph and insert:

"SECTION 325. IC 6-3.5-7-11, AS AMENDED BY P.L.207-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 11. (a) Revenue derived from the imposition of the county economic development income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it.

(b) Before August 2 of each calendar year, the department, after reviewing the recommendation of the budget agency, shall certify to the county auditor of each adopting county the sum of the amount of county economic development income tax revenue that the department determines has been:

- (1) received from that county for a taxable year ending before the calendar year in which the determination is made; and
- (2) reported on an annual return or amended return processed by the department in the state fiscal year ending before July 1 of the calendar year in which the determination is made; as adjusted (as determined after review of the recommendation of the budget agency) for refunds of county economic development income tax made in the state fiscal year plus the amount of interest in the county's account that has been accrued and has not been included in a certification made in a preceding year. The amount certified is the county's certified distribution, which shall be distributed on the dates specified in section 16 of this chapter for the following calendar year. The amount certified shall be adjusted under subsections (c), (d), (e), (f), and (g). The ~~department budget agency~~ shall provide the **county council** with ~~the certification~~ an informative summary of the calculations used to determine the certified distribution. **The summary of calculations must include:**

- (1) the amount reported on individual income tax returns processed by the department during the previous fiscal year;**
- (2) adjustments for over distributions in prior years;**
- (3) adjustments for clerical or mathematical errors in prior years;**
- (4) adjustments for tax rate changes; and**

**(5) the amount of excess account balances to be distributed under IC 6-3.5-7-17.3.**

(c) The department shall certify an amount less than the amount determined under subsection (b) if the department, after reviewing the recommendation of the budget agency, determines that the reduced distribution is necessary to offset overpayments made in a calendar year before the calendar year of the distribution. The department, after reviewing the recommendation of the budget agency, may reduce the amount of the certified distribution over several calendar years so that any overpayments are offset over several years rather than in one (1) lump sum.

(d) After reviewing the recommendation of the budget agency, the department shall adjust the certified distribution of a county to correct for any clerical or mathematical errors made in any previous certification under this section. The department, after reviewing the recommendation of the budget agency, may reduce the amount of the certified distribution over several calendar years so that any adjustment under this subsection is offset over several years rather than in one (1) lump sum.

(e) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide the county with the distribution required under section 16(b) of this chapter.

(f) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide the county with the amount of any tax increase imposed under section 25 or 26 of this chapter to provide additional homestead credits as provided in those provisions.

(g) This subsection applies to a county that:

(1) initially imposed the county economic development income tax; or

(2) increases the county economic development income rate; under this chapter in the same calendar year in which the department makes a certification under this section. The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The department shall provide for a full transition to certification of distributions as provided in subsection (b)(1) through (b)(2) in the manner provided in subsection (c)."

Page 360, line 33, after "fund" delete ";" and insert "**plus the tax rate imposed by the school corporation for the school corporation's special education preschool fund;**".

Page 363, line 35, after "fund" insert "**plus the tax rate imposed by the school corporation for the school corporation's special education preschool fund,**".

Page 366, line 24, after "district" delete ";" and insert "**plus the tax rate imposed by the school corporation for the school corporation's special education preschool fund in the district;**".

Page 371, line 25, after "fund" delete ";" and insert "**plus the tax rate imposed by the school corporation for the school corporation's special education preschool fund;**".

Page 374, line 6, after "district" delete ";" and insert "**plus the tax rate imposed by the school corporation for the school**

**corporation's special education preschool fund in the district;**".

Page 376, line 23, after "district" delete ";" and insert "**plus the tax rate imposed by the school corporation for the school corporation's special education preschool fund in the district;**".

Page 383, between lines 29 and 30, begin a new paragraph and insert:

"SECTION 344. IC 8-14-15-8, AS ADDED BY P.L.47-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. (a) The trustee shall:

(1) administer and manage the trust;

(2) invest the money in the trust; and

(3) deposit in the trust any **interest income** that accrues from the investment of these funds.

(b) notwithstanding IC 5-13, the trustee shall invest the money in the trust not currently needed to meet the obligations of the trust in the same manner as money is invested by the public employees' retirement fund under IC 5-10.3-5. However, the trustee may not invest the money in the trust in equity securities. The trustee shall also comply with the prudent investor rule set forth in IC 30-4-3.5. The trustee may contract with investment management professionals, investment advisors, and legal counsel to assist in the investment of the trust and may pay the state expenses incurred under those contracts from the trust.

(c) IC 4-9.1-1-8 and IC 4-9.1-1-9 do not apply to a trust established under this chapter.

(d) Money in the trust at the end of a state fiscal year does not revert to the state general fund.

SECTION 345. IC 8-14-15-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. (a) The principal of the trust may not be diminished during the term of the trust.

(b) The income that accrues from investment of the trust shall be deposited in the trust.

(c) On March 15, 2011, March 15, 2016, and March 15 every five (5) years thereafter, the treasurer of state shall transfer all **interest income** accruing to the trust to the major moves construction fund.

SECTION 346. IC 8-14-16-5, AS AMENDED BY P.L.232-2007, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. Money in the fund may be expended only for the following purposes:

(1) Construction of highways, roads, and bridges.

(2) In a county that is a member of the northwest Indiana regional development authority, or in a city or town located in such a county, any purpose for which the regional development authority may make expenditures under IC 36-7.5.

(3) Providing funding for economic development projects (as defined in IC 6-3.5-7-13.1(c)(1) or IC 6-3.5-7-13.1(c)(2)(A) through IC 6-3.5-7-13.1(c)(2)(K)).

(4) Matching federal grants for a purpose described in this section.

(5) Providing funding for interlocal agreements under IC 36-1-7 for a purpose described in this section.

(6) Providing the county's, city's, or town's contribution to a regional development authority established under IC 36-7.6-2-3.

(7) **Making a donation to a charitable nonprofit community foundation under IC 36-1-14-1."**

Page 437, line 22, after "5." insert "(a)".

Page 437, line 23, delete "a particular calendar year" and insert "2009".

Page 437, line 29, after "fund" delete "." and insert "for 2009".

Page 437, between lines 37 and 38, begin a new paragraph and insert:

**"(b) A school corporation's circuit breaker replacement amount for 2010 is equal to the result of:**

**(1) the result under subsection (a) STEP THREE for the school corporation in 2009; multiplied by**

**(2) fifty million dollars (\$50,000,000), rounding to the nearest dollar (\$1)."**

Page 439, delete lines 38 through 42, begin a new paragraph and insert:

**"(b) Each year that a school corporation receives a grant under this chapter, the school corporation shall:**

**(1) reduce the school corporation's debt service levy that would otherwise be imposed for the year by an amount equal to the grant received under this chapter for that year; and**

**(2) reduce the total property tax levy for the school corporation's transportation, school bus replacement, capital projects, and art association and historical society funds as appropriate, in an amount equal to the grant received under this chapter for that year."**

Page 440, delete lines 1 through 3.

Page 466, between lines 11 and 12, begin a new paragraph and insert:

**"SECTION 481. IC 20-43-11.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:**

#### **Chapter 11.5. New Facility Adjustment**

**Sec. 1. (a) A school corporation may appeal to the department of local government finance under IC 6-1.1-19 for a new facility adjustment to increase the school corporation's tuition support distribution for the following year by the amount described in section 2 of this chapter.**

**(b) Upon the demonstration by the school corporation to the department of local government finance that an adjustment is necessary to pay increased costs to open:**

**(1) a new school facility; or**

**(2) an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space;**

**the department of local government finance may grant the appeal.**

**Sec. 2. (a) If a school corporation's appeal under this chapter is granted, the department shall, subject to amounts appropriated, distribute to the school corporation the amount of the new facility adjustment approved by the department of local government finance.**

**(b) A new facility adjustment:**

**(1) is in addition to the amount of the state tuition support distribution to which the school corporation is entitled under other provisions of this article; and**

**(2) may not be included in the school corporation's state tuition support distribution for the year following the year in which the increase applies."**

Page 468, delete lines 7 through 42, begin a new paragraph and insert:

**"SECTION 484. IC 20-46-1-8, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 8. (a) This section applies to a school corporation that includes a request for a levy under this chapter in an emergency appeal under IC 6-1.1-19 and IC 20-45-6-2:**

**(b) In addition to, or instead of, any recommendation that the tax control board may make in an appeal, the tax control board may recommend that the appellant school corporation be permitted to make a levy for the ensuing calendar year under this chapter. Subject to this chapter, the governing body of a school corporation may adopt a resolution to place a referendum under this chapter on the ballot if the school corporation determines that it cannot, in a calendar year, carry out its public educational duty unless it imposes a referendum tax levy under this chapter. The governing body of the school corporation shall certify a copy of the resolution to the county fiscal body of each county in which the school corporation is located.**

**SECTION 485. IC 20-46-1-9, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 9. A tax control board recommendation referendum tax levy under this chapter may be put into effect only if**

**(1) a majority of the individuals who vote in a referendum that is conducted in accordance with this section and sections 10 through 19 of this chapter approves the appellant school corporation's making a levy for the ensuing calendar year.**

**(2) the department of local government finance approves the recommendation in writing; and**

**(3) the appellant school corporation requests that the tax control board take the steps necessary to cause a referendum to be conducted:**

**SECTION 486. IC 20-46-1-12, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12. If a school corporation adopts a resolution under section 8 of this chapter, the tax control board shall act county fiscal body must under IC 3-10-9-3 to certify the question to be voted on at the referendum to the county election board of each county in which any part of the appellant school corporation is located."**

Page 469, delete lines 1 through 9.

Page 472, between lines 19 and 20, begin a new paragraph and insert:

**"SECTION 498. IC 20-46-4-10, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 10. (a) A school corporation may appeal to the department of local government finance under IC 6-1.1-19 county fiscal body of the county in**

**which the school corporation has the largest part of its net assessed value** to increase the maximum levy permitted for the school corporation's fund. To be granted an increase by the ~~department of local government finance; county fiscal body~~, the school corporation must establish that the increase is necessary because of a transportation operating cost increase of at least ten percent (10%) over the preceding year as a result of at least one (1) of the following:

- (1) A fuel expense increase.
- (2) A significant increase in the number of students enrolled in the school corporation that need transportation or a significant increase in the mileage traveled by the school corporation's buses compared with the previous year.
- (3) A significant increase in the number of students enrolled in special education who need transportation or a significant increase in the mileage traveled by the school corporation's buses due to students enrolled in special education as compared with the previous year.
- (4) Increased transportation operating costs due to compliance with a court ordered desegregation plan.
- (5) The closure of a school building within the school corporation that results in a significant increase in the distances that students must be transported to attend another school building.

In addition, before the ~~department of local government finance county fiscal body~~ may grant a maximum levy increase, the school corporation must establish that the school corporation will be unable to provide transportation services without an increase. The ~~department of local government finance county fiscal body~~ may grant a maximum operating costs levy increase that is less than the increase requested by the school corporation.

(b) If the ~~department of local government finance county fiscal body~~ determines that a permanent increase in the maximum permissible levy is necessary, the maximum levy after the increase granted under this section becomes the school corporation's maximum permissible levy under this chapter."

Page 589, between lines 18 and 19, begin a new paragraph and insert:

"SECTION 691. IC 36-1-14-1, AS AMENDED BY P.L.2-2006, SECTION 190, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. (a) This section does not apply to donations of proceeds from riverboat gaming to a public school endowment corporation under IC 20-47-1-3.

(b) As used in this section, "riverboat gaming revenue" means tax revenue received by a unit under IC 4-33-12-6, IC 4-33-13, or an agreement to share a city's or county's part of the tax revenue.

(c) Notwithstanding IC 8-1.5-2-6(d), a unit may donate **money deposited in the unit's local major moves construction fund under IC 8-14-16**, the proceeds from the sale of a utility or facility, or **the proceeds** from a grant, a gift, a donation, an endowment, a bequest, a trust, or riverboat gaming revenue to a foundation under the following conditions:

- (1) The foundation is a charitable nonprofit community foundation.
- (2) **Subject to subsection (e)**, the foundation retains all

rights to the donation, including investment powers.

(3) The foundation agrees to do the following:

(A) Hold the donation as a permanent ~~endowment~~ **endowed designated fund or as a nonendowed designated fund**.

(B) ~~Distribute the income from the donation~~ **Except as provided in subsection (e), make distributions** only to the unit as directed by resolution of the fiscal body of the unit.

(C) Return the donation to the general fund of the unit if the foundation:

- (i) loses the foundation's status as a public charitable organization;
- (ii) is liquidated; or
- (iii) violates any condition of the endowment set by the fiscal body of the unit.

**(d) A unit shall, at the time the unit makes a donation to a charitable nonprofit community foundation under this section, specify whether the donation shall be held by the charitable nonprofit community foundation as a permanent endowed designated fund or as a nonendowed designated fund.**

**(e) If a unit specifies that a donation shall be held by a charitable nonprofit community foundation as a nonendowed designated fund under subsection (d), the unit shall have access to the donation and income from the donation at any time.**

**(f) If:**

- (1) a unit donates certain funds to a charitable nonprofit community foundation under subsection (c);
- (2) the purposes for which the funds could be used were restricted before the unit donated the funds to the charitable nonprofit community foundation; and
- (3) after the donation, the unit accesses the donated funds or income from the donated funds under subsection (e);

**the purposes for which the funds may be used after they are accessed by the unit are subject to the same restrictions as applied before the funds were donated to the charitable nonprofit community foundation under subsection (c)."**

Page 612, between lines 20 and 21, begin a new paragraph and insert:

"SECTION 718. IC 36-7-12-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 27. (a) Bonds issued by a unit under section 25 of this chapter may be issued as serial bonds, term bonds, or a combination of both types. The ordinance of the fiscal body authorizing bonds, notes, or warrants, or the financing agreement or the trust indenture approved by the ordinance, must provide:

- (1) the manner of their execution, either by the manual or facsimile signatures of the executive of the unit and the clerk of the fiscal body;
- (2) their date;
- (3) their term or terms, which may not exceed forty (40) years, **except as otherwise provided by subsection (e)**;
- (4) their maximum interest rate if fixed rates are used or the manner in which the interest rate will be determined if variable or adjustable rates are used;

- (5) their denominations;
- (6) their form, either coupon or registered;
- (7) their registration privileges;
- (8) the medium of their payment;
- (9) the place or places of their payment;
- (10) the terms of their redemption; and
- (11) any other provisions not inconsistent with this chapter.

(b) Bonds, notes, or warrants issued under section 25 of this chapter may be sold at public or private sale for the price or prices, in the manner, and at the time or times determined by the unit. The unit may advance all expenses, premiums, and commissions that it considers necessary or advantageous in connection with their issuance.

(c) The bonds, notes, or warrants and their authorization, issuance, sale, and delivery are not subject to any general statute concerning bonds, notes, or warrants of units.

(d) An action to contest the validity of bonds, notes, or warrants issued under section 25 of this chapter may not be commenced more than thirty (30) days after the adoption of the ordinance approving them under section 25 of this chapter.

**(e) This subsection applies only to bonds, notes, or warrants issued under this chapter after June 30, 2008, that are wholly or partially payable from tax increment revenues derived from property taxes. The maximum term or repayment period for the bonds, notes, or warrants may not exceed:**

**(1) twenty-five (25) years, unless the bonds, notes, or warrants were:**

- (A) issued or entered into before July 1, 2008;**
- (B) issued or entered into after June 30, 2008, but authorized by a resolution adopted before July 1, 2008; or**
- (C) issued or entered into after June 30, 2008, in order to fulfill the terms of agreements or pledges entered into before July 1, 2008, with the holders of the bonds, notes, warrants, or other contractual obligations by or with developers, lenders, or units, or otherwise prevent an impairment of the rights or remedies of the holders of the bonds, notes, warrants, or other contractual obligations; or**

**(2) thirty (30) years, if the bonds, notes, or warrants were issued after June 30, 2008, to finance:**

- (A) an integrated coal gasification powerplant (as defined by IC 6-3.1-29-6);**
- (B) a part of an integrated coal gasification powerplant (as defined by IC 6-3.1-29-6); or**
- (C) property used in the operation or maintenance of an integrated coal gasification powerplant (as defined by IC 6-3.1-29-6);**

**that received a certificate of public convenience and necessity from the Indiana utility regulatory commission under IC 8-1-8.5 et seq. before July 1, 2008.**

**(f) The general assembly makes the following findings of fact with respect to an integrated coal gasification powerplant (as defined in IC 6-3.1-29-6) that received a certificate of public convenience and necessity from the Indiana utility regulatory commission under IC 8-1-8.5 et seq. before July 1, 2008:**

**(1) The health, safety, general welfare, and economic and energy security of the people of the state of Indiana require as a public purpose of the state the promotion of clean energy, including clean coal, technologies in Indiana.**

**(2) These technologies include the integrated coal gasification powerplant contemplated by this chapter, IC 6-1.1-20-1.1, and IC 36-7-14.**

**(3) Investment in the integrated coal gasification powerplant contemplated by this chapter, IC 6-1.1-20-1.1, and IC 36-7-14 will result in substantial financial and other benefits to the state and its political subdivisions and the people of Indiana, including increased employment, tax revenue, and use of Indiana coal.**

**(4) It is in the best interest of the state and its citizens to promote and preserve financial and other incentives for the integrated coal gasification powerplant."**

Page 624, line 21, after "operation" delete "of" and insert "or".

Page 765, between lines 30 and 31, begin a new paragraph and insert:

"SECTION 831. [EFFECTIVE JULY 1, 2008] (a) There is appropriated from the state general fund to the pension relief fund for the period beginning July 1, 2008, and ending June 30, 2009, forty-eight million six hundred eleven thousand dollars (\$48,611,000) for the payment of pension, disability, and survivor benefits.

**(b) This SECTION expires July 1, 2009."**

Page 770, delete lines 18 through 42, begin a new paragraph and insert:

"SECTION 840. [EFFECTIVE JULY 1, 2007 (RETROACTIVE)] (a) The definitions in IC 6-1.1-1, IC 6-1.1-20.9, and IC 6-1.1-21 apply throughout this SECTION.

**(b) An owner entitled to a homestead credit under IC 6-1.1-20.9 for property taxes assessed for the March 1, 2007, and January 15, 2008, assessment dates is entitled to an additional homestead credit under this SECTION against the property tax liability (as described in IC 6-1.1-21-5) imposed against the taxpayer's homestead for the March 1, 2007, and January 15, 2008, assessment dates.**

**(c) The amount of the credit to which an owner is entitled under this SECTION equals the product of:**

- (1) the percentage prescribed in subsection (d)(3); multiplied by**
- (2) the amount of the individual's property tax liability (as described in IC 6-1.1-21-5) that is:**

- (A) attributable to the homestead during the particular calendar year; and**
- (B) determined after the application of all deductions from assessed valuation that the owner claims under IC 6-1.1-12 or IC 6-1.1-12.1 for property and the property tax replacement credit under IC 6-1.1-21.**

**(d) The county auditor of each county shall determine:**

- (1) the amount of the county's additional homestead credit allotment determined under subsection (e);**
- (2) the amount of uniformly applied homestead credits for the year in the county that equals the amount**

determined under subdivision (1); and  
 (3) the increased percentage of homestead credit that equates to the amount of homestead credits determined under subdivision (2).

(e) There is granted under this SECTION a total of six hundred twenty million dollars (\$620,000,000) of additional homestead credits. The additional homestead credits shall be distributed to each county as prescribed in subsection (f). Before distribution, the department of local government finance shall certify each county's additional homestead credit allotment to the department of state revenue and to each county auditor.

(f) Each county's certified additional homestead credit allotment, which shall be calculated by the budget agency, shall be determined under the following STEPS:

STEP ONE: For each county, determine the total of state homestead credits granted in the county for the most recent calendar year.

STEP TWO: Determine the sum of the amounts determined under STEP ONE.

STEP THREE: Divide the amount determined in STEP ONE by the amount determined in STEP TWO.

STEP FOUR: Multiply the result of STEP THREE by six hundred twenty million dollars (\$620,000,000).

(g) Each county's additional homestead credit allotment authorized in this SECTION shall be distributed to that county not less than two (2) weeks after the county mails a property tax bill for which the additional homestead credit under this SECTION is granted.

(h) In addition to any other appropriation made to the property tax replacement fund board under P.L.234-2007, there is appropriated to the property tax replacement fund board six hundred twenty million dollars (\$620,000,000) from the state general fund to make distributions for the additional homestead credits provided by this SECTION for property taxes assessed for the March 1, 2007, and January 15, 2008, assessment dates. The appropriation in this subsection is not subject to the limit in P.L.234-2007 on distributions from the property tax replacement fund. Money distributed under this subsection shall be treated as property taxes for all purposes.

(i) The department of local government finance, the department of state revenue, the budget agency, and the property tax replacement fund board shall take the actions necessary to carry out this SECTION. The department of local government finance and the budget agency shall make the certifications required under this SECTION based on the best information available at the time the certification is made.

SECTION 841. [EFFECTIVE JULY 1, 2008] (a) The definitions in IC 6-1.1-1, IC 6-1.1-20.9 (before its repeal), and IC 6-1.1-21 (before its repeal) apply throughout this SECTION.

(b) A taxpayer that is entitled a standard deduction under IC 6-1.1-12-37 for property taxes assessed for the March 1, 2008, and January 15, 2009, assessment dates is entitled to a homestead credit under this SECTION against the property tax liability (as described in IC 6-1.1-21-5 (before its repeal))

imposed against the taxpayer's homestead for the March 1, 2008, and January 15, 2009, assessment dates.

(c) The amount of the credit to which an owner is entitled under this SECTION equals the product of:

(1) the percentage prescribed in subsection (d)(3); multiplied by

(2) the amount of the individual's property tax liability (as described in IC 6-1.1-21-5 (before its repeal)) that is:

(A) attributable to the homestead during the particular calendar year; and

(B) determined after the application of all deductions from assessed valuation that the owner claims under IC 6-1.1-12 or IC 6-1.1-12.1 for property and the property tax replacement credit under IC 6-1.1-21.

(d) The county auditor of each county shall determine:

(1) the amount of the county's homestead credit allotment determined under subsection (e);

(2) the amount of uniformly applied homestead credits for the year in the county that equals the amount determined under subdivision (1); and

(3) the percentage of homestead credit that equates to the amount of homestead credits determined under subdivision (2).

(e) There is granted under this SECTION a total of one hundred million dollars (\$100,000,000) of homestead credits. The homestead credits shall be distributed to each county as prescribed in subsection (f). Before distribution, the department of local government finance shall certify each county's homestead credit allotment to the department of state revenue and to each county auditor.

(f) Each county's certified homestead credit allotment, which shall be calculated by the budget agency, shall be determined under the following STEPS:

STEP ONE: For each county, determine the total property tax liability of all homestead properties in the county for the most recent calendar year before the application of any credits.

STEP TWO: For each county, determine the total property tax liability of all homestead properties resulting from property tax levies that are eliminated or replaced by this act for the most recent calendar year, before the application of any credits.

STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.

STEP FOUR: Determine the sum of the amounts determined under STEP THREE.

STEP FIVE: Divide the amount determined in STEP THREE by the amount determined in STEP FOUR.

STEP SIX: Multiply the result of STEP THREE by one hundred million dollars (\$100,000,000).

(g) Each county's homestead credit allotment authorized in this SECTION shall be distributed to that county not less than two (2) weeks after the county mails a property tax bill for which the homestead credit under this SECTION is granted.

(h) In addition to any other appropriations, there is appropriated one hundred million dollars (\$100,000,000) from the state general fund to make distributions for the

homestead credits provided by this SECTION for property taxes assessed for the March 1, 2008, and January 15, 2009, assessment dates. Money distributed under this subsection shall be treated as property taxes for all purposes.

(i) The department of local government finance, the department of state revenue, and the budget agency shall take the actions necessary to carry out this SECTION. The department of local government finance and the budget agency shall make the certifications required under this SECTION based on the best information available at the time the certification is made.

SECTION 843. [EFFECTIVE JULY 1, 2008] (a) The definitions in IC 6-1.1-1, IC 6-1.1-20.9 (before its repeal), and IC 6-1.1-21 (before its repeal) apply throughout this SECTION.

(b) A taxpayer that is entitled to a standard deduction under IC 6-1.1-12-37 for property taxes assessed for the March 1, 2009, and January 15, 2010, assessment dates is entitled to a homestead credit under this SECTION against the property tax liability (as described in IC 6-1.1-21-5 (before its repeal)) imposed against the taxpayer's homestead for the March 1, 2009, and January 15, 2010, assessment dates.

(c) The amount of the credit to which an owner is entitled under this SECTION equals the product of:

- (1) the percentage prescribed in subsection (d)(3); multiplied by
- (2) the amount of the individual's property tax liability (as described in IC 6-1.1-21-5 (before its repeal)) that is:
  - (A) attributable to the homestead during the particular calendar year; and
  - (B) determined after the application of all deductions from assessed valuation that the owner claims under IC 6-1.1-12 or IC 6-1.1-12.1 for property and the property tax replacement credit under IC 6-1.1-21.

(d) The county auditor of each county shall determine:

- (1) the amount of the county's homestead credit allotment determined under subsection (e);
- (2) the amount of uniformly applied homestead credits for the year in the county that equals the amount determined under subdivision (1); and
- (3) the percentage of homestead credit that equates to the amount of homestead credits determined under subdivision (2).

(e) There is granted under this SECTION a total of one hundred million dollars (\$100,000,000) of homestead credits. The homestead credits shall be distributed to each county as prescribed in subsection (f). Before distribution, the department of local government finance shall certify each county's homestead credit allotment to the department of state revenue and to each county auditor.

(f) Each county's certified homestead credit allotment, which shall be calculated by the budget agency, shall be determined under the following STEPS:

**STEP ONE:** For each county, determine the total of state homestead credits granted in the county for the most recent calendar year.

**STEP TWO:** Determine the sum of the amounts determined under STEP ONE.

**STEP THREE:** Divide the amount determined in STEP ONE by the amount determined in STEP TWO.

**STEP FOUR:** Multiply the result of STEP THREE by one hundred million dollars (\$100,000,000).

(g) Each county's homestead credit allotment authorized in this SECTION shall be distributed to that county not less than two (2) weeks after the county mails a property tax bill for which the homestead credit under this SECTION is granted.

(h) In addition to any other appropriations, there is appropriated one hundred million dollars (\$100,000,000) from the state general fund to make distributions for the homestead credits provided by this SECTION for property taxes assessed for the March 1, 2009, and January 15, 2010, assessment dates. Money distributed under this subsection shall be treated as property taxes for all purposes.

(i) The department of local government finance, the department of state revenue, and the budget agency shall take the actions necessary to carry out this SECTION. The department of local government finance and the budget agency shall make the certifications required under this SECTION based on the best information available at the time the certification is made."

Page 771, delete lines 1 through 32.

Page 773, delete lines 21 through 30, begin a new paragraph and insert:

"SECTION 847. [EFFECTIVE JUNE 1, 2008] (a) The tuition reserve account in the state general fund established by IC 4-12-1-12(b) is abolished on June 30, 2008. The auditor of state shall transfer the balance of the reserve account established by IC 4-12-1-12(b) on June 30, 2008, to the state tuition reserve fund.

(b) On the date specified by the budget director, but not later than December 31, 2008, the auditor of state shall transfer twenty-five million dollars (\$25,000,000) from the unrestricted balances of the state general fund to the state tuition reserve fund for the purposes of the fund.

(c) In addition to the transfer required by subsection (b), on the date specified by the budget director, but not later than December 31, 2009, the auditor of state shall transfer twenty-five million dollars (\$25,000,000) from the unrestricted balances of the state general fund to the state tuition reserve fund for the purposes of the fund."

Page 774, line 11, after "hundred" insert "fifty-two".

Page 774, line 11, after "thousand" insert "six".

Page 774, line 12, delete "(\$2,500,000)" and insert "(\$2,552,006)".

Page 774, line 17, delete "two hundred fifty thousand" and insert "three hundred thousand three hundred eighty-five".

Page 774, line 18, delete "(\$1,250,000)" and insert "(\$1,300,385)".

Page 774, between lines 20 and 21, begin a new paragraph and insert:

"SECTION 853. [EFFECTIVE JULY 1, 2008] (a) In addition to any other appropriation, there is appropriated to the department of education from the state general fund ten

million dollars (\$10,000,000) for the state fiscal year beginning July 1, 2008, and ending June 30, 2009, to make new facility adjustment distributions that are approved by the department of local government finance under IC 20-43-11.5, as added by this act.

(b) This SECTION expires July 1, 2010."

Page 776, between lines 26 and 27, begin a new paragraph and insert:

"SECTION 855. [EFFECTIVE UPON PASSAGE] IC 6-3.5-1.1-26(j) and IC 6-3.5-6-32(k), both as added by this act, apply to property taxes first due and payable after December 31, 2007."

Page 777, line 12, delete ", the replacement of any portion of a property".

Page 777, line 13, delete "tax levy by state payments by this act,".

Page 777, delete lines 15 through 42.

Delete page 778.

Page 779, delete lines 1 through 2.

Renumber all SECTIONS consecutively.

(Reference is to EHB 1001 as printed February 20, 2008.)

KENLEY

Motion prevailed.

#### SENATE MOTION (Amendment 1001-8)

Madam President: I move that Engrossed House Bill 1001 be amended to read as follows:

Page 156, between lines 30 and 31, begin a new paragraph and insert:

"SECTION 159. IC 6-1.1-17-20, AS AMENDED BY P.L.1-2006, SECTION 136, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20. (a) This section applies:

(1) to each governing body of a taxing unit that is not comprised of a majority of officials who are elected to serve on the governing body; and

(2) if the **percentage increase in the proposed property tax levy:**

**(A) budget** for the taxing unit **(other than a public library)** for the ensuing calendar year is more than five percent (5%) greater than the property tax levy for the taxing unit for the current the result of:

**(A) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the ensuing calendar year; or minus**

**(B) for the operating budget of a public library for the ensuing calendar year is more than five percent (5%) greater than the property tax levy for the operating budget of the public library for the current calendar year. one (1).**

(b) As used in this section, "taxing unit" has the meaning set forth in IC 6-1.1-1-21, except that the term does not include:

(1) a school corporation; or

(2) an entity whose tax levies are subject to review and modification by a city-county legislative body under IC 36-3-6-9.

(c) This subsection does not apply to a public library. If:

(1) the assessed valuation of a taxing unit is entirely contained within a city or town; or

(2) the assessed valuation of a taxing unit is not entirely contained within a city or town but the taxing unit was originally established by the city or town;

The governing body shall submit its proposed budget and property tax levy to the ~~city or town~~ **county** fiscal body **in which the greatest percentage of the taxing unit's net assessed value is located**. The proposed budget and levy shall be submitted at least fourteen (14) days before the city or town fiscal body is required to hold budget approval hearings under this chapter.

~~(d) This subsection does not apply to a public library. If subsection (c) does not apply, the governing body of the taxing unit shall submit its proposed budget and property tax levy to the county fiscal body in the county where the taxing unit has the most assessed valuation. The proposed budget and levy shall be submitted at least fourteen (14) days before the county fiscal body is required to hold budget approval hearings under this chapter.~~

~~(e) This subsection applies to a public library. The library board of a public library subject to this section shall submit its proposed budget and property tax levy to the fiscal body designated under IC 36-12-14.~~

~~(f) (d) Subject to subsection (g), The A county~~ **(f) (d) Subject to subsection (g), The A county** fiscal body ~~of the city, town, or county (whichever applies) or the fiscal body designated under IC 36-12-14 (in the case of a public library)~~ shall review each budget and proposed tax levy and adopt a final budget and tax levy for the taxing unit. The **county** fiscal body may reduce or modify but not increase the proposed budget or tax levy.

~~(g) A fiscal body's review under subsection (f) is limited to the proposed operating budget of the public library and the proposed property tax levy for the library's operating budget."~~

Page 599, between lines 38 and 39, begin a new paragraph and insert:

"SECTION 691. IC 36-3-6-9, AS AMENDED BY P.L.1-2006, SECTION 561, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) The city-county legislative body shall review the proposed operating and maintenance budgets and tax levies and adopt final operating and maintenance budgets and tax levies for each of the following entities in the county:

(1) An airport authority operating under IC 8-22-3.

(2) A public library operating under IC 36-12.

(3) A capital improvement board of managers operating under IC 36-10.

(4) A public transportation corporation operating under IC 36-9-4.

Except as provided in subsection (c), the city-county legislative body may reduce or modify but not increase a proposed operating and maintenance budget or tax levy under this section.

(b) The board of each entity listed in subsection (a) shall, after adoption of its proposed budget and tax levies, submit them, along with detailed accounts, to the city clerk before the first day of September of each year.

(c) The city-county legislative body may review the issuance of bonds of an entity listed in subsection (a), but, **except as**



provided in IC 6-1.1-20 after December 31, 2008, approval of the city-county legislative body is not required for the issuance of bonds. The city-county legislative body may not reduce or modify a budget or tax levy of an entity listed in subsection (a) in a manner that would:

- (1) limit or restrict the rights vested in the entity to fulfill the terms of any agreement made with the holders of the entity's bonds; or
- (2) in any way impair the rights or remedies of the holders of the entity's bonds.

(d) If the assessed valuation of a taxing unit is entirely contained within an excluded city or town (as described in IC 36-3-1-7) that is located in a county having a consolidated city, the governing body of the taxing unit shall submit its proposed operating and maintenance budget and tax levies to the city or town fiscal body for approval.

(e) The city-county legislative body may review and modify the operating and maintenance budgets and the tax levies of a health and hospital corporation operating under IC 16-22-8. If the **percentage increase in the total of all proposed property tax levies budget** for the health and hospital corporation for the ensuing calendar year is more than **five percent (5%) greater than the total of all property tax levies for the health and hospital corporation for the current the result of:**

**(1) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the ensuing calendar year; minus**

**(2) one (1);**

the city-county legislative body shall review the proposed budget and the tax levies of the health and hospital corporation and shall adopt the final budget and tax levies for the health and hospital corporation. Except as provided in subsection (c), the city-county legislative body may reduce or modify but not increase the health and hospital corporation's proposed operating and maintenance budget or tax levy under this section. The board of the health and hospital corporation shall, after adoption of its proposed budget and tax levies, submit them, along with detailed accounts, to the city clerk before the first day of September of each year."

Page 746, after line 42, begin a new paragraph and insert:

"SECTION 799. IC 36-12-14 IS REPEALED [EFFECTIVE UPON PASSAGE]."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1001 as printed February 20, 2008.)

KENLEY

Motion prevailed.

#### SENATE MOTION (Amendment 1001-17)

Madam President: I move that Engrossed House Bill 1001 be amended to read as follows:

Page 2, delete lines 14 through 23, begin a new paragraph and insert:

"SECTION 3. IC 3-10-1-19, AS AMENDED BY P.L.221-2005, SECTION 29, AND AS AMENDED BY P.L.164-2006, SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 19. (a) The ballot for a primary election shall be printed in substantially the

following form for all the offices for which candidates have qualified under IC 3-8:

#### OFFICIAL PRIMARY BALLOT

\_\_\_\_\_ Party

For paper ballots, print: To vote for a person, make a voting mark (X or ✓) on or in the box before the person's name in the proper column. For optical scan ballots, print: To vote for a person, darken or shade in the circle, oval, or square (or draw a line to connect the arrow) that precedes the person's name in the proper column. For optical scan ballots that do not contain a candidate's name, print: To vote for a person, darken or shade in the oval that precedes the number assigned to the person's name in the proper column. For electronic voting systems, print: To vote for a person, touch the screen (or press the button) in the location indicated.

Vote for one (1) only

Representative in Congress

- ☐ (1) AB \_\_\_\_\_
- ☐ (2) CD \_\_\_\_\_
- ☐ (3) EF \_\_\_\_\_
- ☐ (4) GH \_\_\_\_\_

(b) The offices with candidates for nomination shall be placed on the primary election ballot in the following order:

(1) Federal and state offices:

- (A) President of the United States.
- (B) United States Senator.
- (C) Governor.
- (D) United States Representative.

(2) Legislative offices:

- (A) State senator.
- (B) State representative.

(3) Circuit offices and county judicial offices:

- (A) Judge of the circuit court, and unless otherwise specified under IC 33, with each division separate if there is more than one (1) judge of the circuit court.
- (B) Judge of the superior court, and unless otherwise specified under IC 33, with each division separate if there is more than one (1) judge of the superior court.
- (C) Judge of the probate court.
- (D) Judge of the county court, with each division separate, as required by IC 33-30-3-3.
- (E) Prosecuting attorney.
- (F) Circuit court clerk.

(4) County offices:

- (A) County auditor.
- (B) County recorder.
- (C) County treasurer.
- (D) County sheriff.
- (E) County coroner.
- (F) County surveyor.
- (G) County assessor.
- (H) County commissioner.
- (I) County council member.

(5) Township offices:

- ~~(A)~~ Township assessor.
- ~~(B)~~ (A) Township trustee.
- ~~(C)~~ (B) Township board member.
- ~~(D)~~ (C) Judge of the small claims court.

~~(E)~~ **(D)** Constable of the small claims court.

(6) City offices:

- (A) Mayor.
- (B) Clerk or clerk-treasurer.
- (C) Judge of the city court.
- (D) City-county council member or common council member.

(7) Town offices:

- (A) Clerk-treasurer.
- (B) Judge of the town court.
- (C) Town council member.

(c) The political party offices with candidates for election shall be placed on the primary election ballot in the following order after the offices described in subsection (b):

- (1) Precinct committeeman.
- (2) State convention delegate.

(d) The following offices and public questions shall be placed on the primary election ballot in the following order after the offices described in subsection (c):

- (1) School board offices to be elected at the primary election.
- (2) Other local offices to be elected at the primary election.
- (3) Local public questions.

(e) The offices and public questions described in subsection (d) shall be placed:

- (1) in a separate column on the ballot if voting is by paper ballot;
- (2) after the offices described in subsection (c) in the form specified in IC 3-11-13-11 if voting is by ballot card; or
- (3) either:

- (A) on a separate screen for each office or public question; or
- (B) after the offices described in subsection (c) in the form specified in IC 3-11-14-3.5;

if voting is by an electronic voting system.

(f) A public question shall be placed on the primary election ballot in the following form:

(The explanatory text for the public question,  
if required by law.)

"Shall (insert public question)?"

☐ YES

☐ NO

SECTION 4. IC 3-10-2-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 13. The following public officials shall be elected at the general election before their terms of office expire and every four (4) years thereafter:

- (1) Clerk of the circuit court.
- (2) County auditor.
- (3) County recorder.
- (4) County treasurer.
- (5) County sheriff.
- (6) County coroner.
- (7) County surveyor.
- (8) County assessor.
- (9) County commissioner.
- (10) County council member.

(11) Township trustee.

(12) Township board member.

~~(13)~~ **Township assessor.**

~~(14)~~ **(13)** Judge of a small claims court.

~~(15)~~ **(14)** Constable of a small claims court.

SECTION 5. IC 3-11-2-12, AS AMENDED BY P.L.2-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12. The following offices shall be placed on the general election ballot in the following order:

(1) Federal and state offices:

- (A) President and Vice President of the United States.
- (B) United States Senator.
- (C) Governor and lieutenant governor.
- (D) Secretary of state.
- (E) Auditor of state.
- (F) Treasurer of state.
- (G) Attorney general.
- (H) Superintendent of public instruction.
- (I) United States Representative.

(2) Legislative offices:

- (A) State senator.
- (B) State representative.

(3) Circuit offices and county judicial offices:

- (A) Judge of the circuit court, and unless otherwise specified under IC 33, with each division separate if there is more than one (1) judge of the circuit court.
- (B) Judge of the superior court, and unless otherwise specified under IC 33, with each division separate if there is more than one (1) judge of the superior court.
- (C) Judge of the probate court.
- (D) Judge of the county court, with each division separate, as required by IC 33-30-3-3.
- (E) Prosecuting attorney.
- (F) Clerk of the circuit court.

(4) County offices:

- (A) County auditor.
- (B) County recorder.
- (C) County treasurer.
- (D) County sheriff.
- (E) County coroner.
- (F) County surveyor.
- (G) County assessor.
- (H) County commissioner.
- (I) County council member.

(5) Township offices:

~~(A)~~ **Township assessor.**

~~(B)~~ **(A)** Township trustee.

~~(C)~~ **(B)** Township board member.

~~(D)~~ **(C)** Judge of the small claims court.

~~(E)~~ **(D)** Constable of the small claims court.

(6) City offices:

- (A) Mayor.
- (B) Clerk or clerk-treasurer.
- (C) Judge of the city court.
- (D) City-county council member or common council member.

## (7) Town offices:

(A) Clerk-treasurer.

(B) Judge of the town court.

(C) Town council member."

Page 3, line 5, strike "township".

Page 3, line 5, delete "assessors (if any)".

Page 37, delete line 42, begin a new paragraph and insert:

"SECTION 32. IC 5-4-1-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. (a) The official bonds of officers, if sufficient, shall be approved as follows:

(1) Of county officers required to give bonds, by the clerk of the circuit court unless otherwise specified in this section.

(2) Of county sheriff, county coroner, county recorder, county auditor, county treasurer, and clerk of the circuit court, by the county executive.

(3) Of county assessor **and** township trustee, **and township assessor** by the county auditor.

(4) Of city officers, except the executive and members of the legislative body, by the city executive.

(5) Of members of the board of public works or of the board of public works and safety in cities, by the city legislative body.

(6) Of clerk-treasurer and marshal of a town, by the town legislative body.

(7) Of a controller of a solid waste management district established under IC 13-21 or IC 13-9.5 (before its repeal), by the board of directors of the solid waste management district.

(b) A person who approves an official bond shall write the approval on the bond.

(c) A bond must be approved before it is filed."

Page 38, delete lines 1 through 21.

Page 38, delete line 33.

Page 47, line 31, strike "A township" and insert "An".

Page 47, line 31, delete "(if any)." and insert ".".

Page 47, delete line 32.

Page 49, delete lines 7 through 16, begin a new paragraph and insert:

"SECTION 43. IC 6-1.1-1-1.5, AS AMENDED BY P.L.88-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1.5. (a) "Assessing official" means:

(1) a **township county** assessor; or

(2) a member of a county property tax assessment board of appeals.

(b) The term "assessing official" does not grant a member of the county property tax assessment board of appeals primary assessing functions except as may be granted to the member by law."

Page 51, delete lines 2 through 7.

Page 51, delete lines 28 through 42, begin a new paragraph and insert:

"SECTION 49. IC 6-1.1-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. (a) Except as provided in subsection (c), ~~and section 11 of this chapter~~, personal property which is owned by a person who is a resident

of this state shall be assessed at the place where the owner resides on the assessment date of the year for which the assessment is made.

(b) Except as provided in subsection (c), ~~and section 11 of this chapter~~, personal property which is owned by a person who is not a resident of this state shall be assessed at the place where the owner's principal office within this state is located on the assessment date of the year for which the assessment is made.

(c) Personal property shall be assessed at the place where it is situated on the assessment date of the year for which the assessment is made if the property is:

(1) regularly used or permanently located where it is situated; or

(2) owned by a nonresident who does not have a principal office within this state.

(d) If a personal property return is filed pursuant to subsection (c), the owner of the property shall provide, within forty-five (45) days after the filing deadline, a copy or other written evidence of the filing of the return to the **county** assessor of the **township county** in which the owner resides. If such evidence is not filed within forty-five (45) days after the filing deadline, the **county** assessor of the **township county** in which the owner resides shall determine if the owner filed a personal property return in the **township county** where the property is situated. If such a return was filed, the property shall be assessed where it is situated. If such a return was not filed, the **county** assessor of the **township county** where the owner resides shall notify the **county** assessor of the **township county** where the property is situated, and the property shall be assessed where it is situated. This subsection does not apply to a taxpayer who:

(1) is required to file duplicate personal property returns under section 7(c) of this chapter and under regulations promulgated by the department of local government finance with respect to that section; or

(2) is required by the department of local government finance to file a summary of the taxpayer's business tangible personal property returns.

SECTION 50. IC 6-1.1-3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. (a) If a question arises as to the proper place to assess personal property the **county assessor shall determine the place if the conflict involves different townships which are located within the county the assessor serves. If and** the conflict involves **different two (2) or more** counties, the department of local government finance shall determine the proper place of assessment.

(b) A determination made under this section by ~~a county assessor or~~ the department of local government finance is final.

(c) If taxes are paid to a county which is not entitled to collect them, the department of local government finance may direct the authorities of the county which wrongfully collected the taxes to refund the taxes collected and any penalties charged on the taxes.

SECTION 51. IC 6-1.1-3-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. Before the assessment date of each year, the county auditor shall deliver to ~~each the county township~~ assessor the proper assessment books and necessary blanks for the listing and assessment of personal property.

SECTION 52. IC 6-1.1-3-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6. Between the assessment date and the filing date of each year, the ~~appropriate township county~~ assessor shall furnish each person whose personal property is subject to assessment for that year with a personal property return.

SECTION 53. IC 6-1.1-3-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. (a) Except as provided in subsections (b) and (d), a taxpayer shall, on or before the filing date of each year, file a personal property return with the ~~county~~ assessor of ~~each township the county~~ in which the taxpayer's personal property is subject to assessment.

(b) The ~~township county~~ assessor may grant a taxpayer an extension of not more than thirty (30) days to file the taxpayer's return if:

- (1) the taxpayer submits a written application for an extension prior to the filing date; and
- (2) the taxpayer is prevented from filing a timely return because of sickness, absence from the county, or any other good and sufficient reason.

(c) If the sum of the assessed values reported by a taxpayer on the business personal property returns which the taxpayer files with the ~~township county~~ assessor for a year exceeds one hundred fifty thousand dollars (\$150,000), the taxpayer shall file each of the returns in duplicate.

(d) ~~A taxpayer may file a consolidated return with the county assessor. If the a taxpayer has personal property subject to assessment in more than one (1) township in a county, and the total assessed value of the personal property in the county is less than one million five hundred thousand dollars (\$1,500,000): A the taxpayer filing a consolidated return shall attach a schedule listing, by township, all the taxpayer's personal property and the property's assessed value. A taxpayer filing a consolidated return is not required to file a personal property return with the assessor of each township. A The taxpayer filing a consolidated return shall provide the following: (1) the county assessor with the information necessary for the county assessor to allocate the assessed value of the taxpayer's personal property among the townships listed on the return, including the street address, the township, and the location of the property.~~

~~(2) A copy of the consolidated return, with attachments, for each township listed on the return.~~

(e) The county assessor shall provide to each affected township assessor in the county all information filed by a taxpayer under subsection (d) that affects the township. The county assessor shall provide the information before:

- (1) May 25 of each year, for a return filed on or before the filing date for the return; or
- (2) June 30 of each year, for a return filed after the filing date for the return.

(f) The township assessor shall send all required notifications to the taxpayer.

(g) (e) The county assessor may refuse to accept a consolidated personal property tax return that does not have attached to it a schedule listing, by township, all the personal property of the taxpayer and the assessed value of the property as required under ~~comply with~~ subsection (d). For purposes of IC 6-1.1-37-7, a consolidated return to which subsection (d)

~~applies~~ is filed on the date it is filed with the county assessor with the schedule of personal property and assessed value required by subsection (d) attached.

SECTION 54. IC 6-1.1-3-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 14. The ~~township county~~ assessor shall:

- (1) examine and verify; or
- (2) allow a contractor under IC 6-1.1-36-12 to examine and verify;

the accuracy of each personal property return filed with the ~~township county~~ assessor by a taxpayer. If appropriate, the assessor or contractor under IC 6-1.1-36-12 shall compare a return with the books of the taxpayer and with personal property owned, held, possessed, controlled, or occupied by the taxpayer.

SECTION 55. IC 6-1.1-3-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 15. (a) In connection with the activities required by section 14 of this chapter, or if a person owning, holding, possessing, or controlling any personal property fails to file a personal property return with the ~~township county~~ assessor as required by this chapter, the ~~township county~~ assessor may examine:

- (1) the personal property of the person;
- (2) the books and records of the person; and
- (3) under oath, the person or any other person whom the assessor believes has knowledge of the amount, identity, or value of the personal property reported or not reported by the person on a return.

(b) After such an examination, the assessor shall assess the personal property to the person owning, holding, possessing, or controlling that property.

(c) As an alternative to such an examination, the ~~township county~~ assessor may estimate the value of the personal property of the taxpayer and shall assess the person owning, holding, possessing, or controlling the property in an amount based upon the estimate. Upon receiving a notification of estimated value from the ~~township county~~ assessor, the taxpayer may elect to file a personal property return, subject to the penalties imposed by IC 6-1.1-37-7.

SECTION 56. IC 6-1.1-3-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 16. If, from the evidence before him, a ~~township county assessor~~, the assessor determines that a person has temporarily converted any part of his ~~the person's~~ personal property into property which is not taxable under this article to avoid the payment of taxes on the converted property, the ~~township county~~ assessor shall assess the converted property to the taxpayer.

SECTION 57. IC 6-1.1-3-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 17. (a) ~~On or before June 1 of each year, each township assessor of a county shall deliver to the county assessor a list which states by taxing district the total of the personal property assessments as shown on the personal property returns filed with the assessor on or before the filing date of that year and in a county with a township assessor under IC 36-6-5-1 in every township the township assessor shall deliver the lists to the county auditor as prescribed in subsection (b):~~

(b) (a) On or before July 1 of each year, each county assessor shall certify to the county auditor the assessment value of the

personal property in every taxing district.

(c) (b) The department of local government finance shall prescribe the forms required by this section.

SECTION 58. IC 6-1.1-3-18, AS AMENDED BY P.L.219-2007, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 18. (a) Each township ~~The county~~ assessor of a county shall periodically report to the county assessor and the county auditor with respect to the returns and properties of taxpayers which the township county assessor has examined. The township county assessor shall submit these reports in the form and on the dates prescribed by the department of local government finance.

(b) Each year, on or before the time prescribed by the department of local government finance, each township assessor of a county shall deliver to the county assessor a copy of each business personal property return which the taxpayer is required to file in duplicate under section 7(c) of this chapter and a copy of any supporting data supplied by the taxpayer with the return. Each year, the county assessor:

- (1) shall review and may audit ~~those the business personal property returns that the taxpayer is required to file in duplicate under section 7(c) of this chapter;~~ and
- (2) shall determine the returns in which the assessment appears to be improper.

SECTION 59. IC 6-1.1-3-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 19. (a) While a county property tax assessment board of appeals is in session, each township county assessor of the county shall make the following information available to the county assessor and the board:

- (1) Personal property returns.
- (2) Documents related to the returns. ~~and~~
- (3) Any information in the possession of the county assessor ~~which that~~ is related to the identity of the owners or possessors of property or the values of property.

(b) Upon written request of the board, the township county assessor shall furnish this information referred to in subsection (a) to any member of the board either directly or through employees of the board.

SECTION 60. IC 6-1.1-3-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 20. If an assessing official ~~or board~~ changes a valuation made by a person on ~~his the person's~~ personal property return or adds personal property and its value to a return, the assessing official ~~or board~~ shall, by mail, immediately give the person notice of the action taken. However, if a taxpayer lists property on ~~his the taxpayer's~~ return but does not place a value on the property, a notice of the action of an assessing official ~~or board~~ in placing a value on the property is not required.

SECTION 61. IC 6-1.1-3-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 21. (a) Subject to the limitations ~~contained~~ in IC 6-1.1-35-9, assessment returns, lists, and any other documents and information related to the determination of personal property assessments shall be preserved as public records and open to public inspection. The township county assessor shall preserve and maintain these records. ~~if quarters for his office are provided in the county court house; or a branch thereof; If quarters are not provided for the~~

township assessor, he shall, as soon as he completes his audit of a return, deliver the return and all related documents and information to the county assessor, and the county assessor shall maintain and preserve the items. The township assessor shall ensure that the county assessor has full access to the assessment records maintained by the township assessor.

(b) Each county shall furnish an office for a township assessor in the county courthouse, or a branch thereof; if the township he serves has a population of thirty-five thousand (35,000) or more. ~~A county may furnish an office in the county courthouse, or branch thereof, for any township assessor."~~

Delete pages 52 through 56.

Page 57, delete lines 1 through 22.

Page 57, delete line 42, begin a new paragraph and insert:

"SECTION 63. IC 6-1.1-4-4.7, AS ADDED BY P.L.228-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4.7. (a) For purposes of this section, "assessor" means:

- (1) a township assessor; or
- (2) a county assessor who assumes the responsibility for verifying sales under 50 IAC 21-3-2(b);

(b) The department of local government finance shall provide training to county assessors and county auditors with respect to the verification of sales disclosure forms under 50 IAC 21-3-2.

SECTION 64. IC 6-1.1-4-12.4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12.4. (a) For purposes of this section, the term "oil or gas interest" includes but is not limited to:

- (1) royalties;
- (2) overriding royalties;
- (3) mineral rights; or
- (4) working interest;

in any oil or gas located on or beneath the surface of land which lies within this state.

(b) Oil or gas interest is subject to assessment and taxation as real property. Notwithstanding the provisions of ~~IC 1971, 6-1.1-4-4, section 4 of this chapter,~~ each oil or gas interest shall be assessed annually by the county assessor of the township county in which the oil or gas is located. The township county assessor shall assess the oil or gas interest to the person who owns or operates the interest.

(c) A piece of equipment is an appurtenance to land if it is incident to and necessary for the production of oil and gas from the land covered by the oil or gas interest. This equipment includes but is not limited to wells, pumping units, lines, treaters, separators, tanks, and secondary recovery facilities. These appurtenances are subject to ~~assessment assessment~~ as real property. Notwithstanding the provisions of ~~IC 1971, 6-1.1-4-4, section 4 of this chapter,~~ each of these appurtenances shall be assessed annually by the county assessor of the township county in which the appurtenance is located. The township county assessor shall assess the appurtenance to the person who owns or operates the working interest in the oil or gas interest.

SECTION 65. IC 6-1.1-4-12.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12.6. (a) For purposes of this section, the term "secondary recovery method" includes but is not limited to the stimulation of oil production by means of the injection of water, steam, hydrocarbons, or

chemicals, or by means of in situ combustion.

(b) The total assessed value of all interests in the oil located on or beneath the surface of a particular tract of land equals the product of:

- (1) the average daily production of the oil; multiplied by
- (2) three hundred sixty-five (365); and multiplied by
- (3) the posted price of oil on the assessment date.

However, if the oil is being extracted by use of a secondary recovery method, the total assessed value of all interests in the oil equals one-half (1/2) the assessed value computed under the formula prescribed in this subsection. The ~~appropriate township~~ **county** assessor shall, in the manner prescribed by the department of local government finance, apportion the total assessed value of all interests in the oil among the owners of those interests.

(c) The ~~appropriate township~~ **county** assessor shall, in the manner prescribed by the department of local government finance, determine and apportion the total assessed value of all interests in the gas located beneath the surface of a particular tract of land.

(d) The department of local government finance shall prescribe a schedule for ~~township~~ **county** assessors to use in assessing the appurtenances described in section 12.4(c) of this chapter.

SECTION 66. IC 6-1.1-4-13.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 13.6. (a) The ~~township~~ **county** assessor shall determine the values of all classes of commercial, industrial, and residential land (including farm homesites) in the ~~township~~ **county** using guidelines determined by the department of local government finance. Not later than November 1 of the year preceding the year in which a general reassessment becomes effective, the assessor determining the values of land shall submit the values to the county property tax assessment board of appeals. Not later than December 1 of the year preceding the year in which a general reassessment becomes effective, the county property tax assessment board of appeals shall hold a public hearing in the county concerning those values. The property tax assessment board of appeals shall give notice of the hearing in accordance with IC 5-3-1 and shall hold the hearing after March 31 and before December 1 of the year preceding the year in which the general reassessment under ~~IC 6-1.1-4-4~~ **section 4 of this chapter** becomes effective.

(b) The county property tax assessment board of appeals shall review the values submitted under subsection (a) and may make any modifications it considers necessary to provide uniformity and equality. The county property tax assessment board of appeals shall coordinate the valuation of property adjacent to the boundaries of the county with the county property tax assessment boards of appeals of the adjacent counties using the procedures adopted by rule under IC 4-22-2 by the department of local government finance. If the county assessor ~~or township assessor~~ fails to submit land values under subsection (a) to the county property tax assessment board of appeals before November 1 of the year before the date the general reassessment under ~~IC 6-1.1-4-4~~ **section 4 of this chapter** becomes effective, the county property tax assessment board of appeals shall determine the values. If the county property tax assessment board of appeals fails to determine the values before the general

reassessment becomes effective, the department of local government finance shall determine the values.

(c) ~~The county assessor shall notify all township assessors in the county of the values as modified by the county property tax assessment board of appeals. Township assessors~~ **Assessing officials** shall use the values determined under this section.

SECTION 67. IC 6-1.1-4-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 15. (a) If real property is subject to assessment or reassessment under this chapter, the **county** assessor of the township in which the property is located shall either appraise the property ~~himself~~ or have it appraised.

(b) In order to determine the assessed value of buildings and other improvements, the ~~township~~ **county** assessor or ~~his the assessor's~~ authorized representative may, after first making known ~~his the assessor's or representative's~~ intention to the owner or occupant, enter and fully examine all buildings and structures which are located within the ~~township~~ **he serves county** and which are subject to assessment.

SECTION 68. IC 6-1.1-4-16, AS AMENDED BY P.L.228-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 16. (a) For purposes of making a general reassessment of real property or annual adjustments under section 4.5 of this chapter, ~~any township assessor and any a~~ county assessor may employ:

- (1) deputies;
- (2) employees; and
- (3) technical advisors who are:
  - (A) qualified to determine real property values;
  - (B) professional appraisers certified under 50 IAC 15; and
  - (C) employed either on a full-time or a part-time basis, subject to sections 18.5 and 19.5 of this chapter.

(b) The county council of each county shall appropriate the funds necessary for the employment of deputies, employees, or technical advisors employed under subsection (a) of this section."

Delete pages 58 through 60.

Page 61, delete lines 1 through 7.

Page 64, delete lines 38 through 42, begin a new paragraph and insert:

"SECTION 74. IC 6-1.1-4-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 22. (a) If any assessing official ~~or any county property tax assessment board of appeals~~ assesses or reassesses any real property under ~~the provisions of~~ this article, the official ~~or county property tax assessment board of appeals~~ shall give notice to the taxpayer and the county assessor, by mail, of the amount of the assessment or reassessment.

(b) During a period of general reassessment, each ~~township~~ **county** assessor shall mail the notice required by this section within ninety (90) days after ~~he: the assessor:~~

- (1) completes ~~his the~~ appraisal of a parcel; or
- (2) receives a report for a parcel from a professional appraiser or professional appraisal firm.

SECTION 75. IC 6-1.1-4-25, AS AMENDED BY P.L.177-2005, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 25. (a) Each

~~township~~ **county** assessor shall keep the assessor's reassessment data and records current by securing the necessary field data and by making changes in the assessed value of real property as changes occur in the use of the real property. The ~~township~~ **county** assessor's records shall at all times show the assessed value of real property in accordance with the provisions of this chapter. ~~The township assessor shall ensure that the county assessor has full access to the assessment records maintained by the township assessor.~~

(b) ~~The township assessor in a county having a consolidated city or the county assessor in every other county;~~ shall:

(1) maintain an electronic data file of:

(A) the parcel characteristics and parcel assessments of all parcels; and

(B) the personal property return characteristics and assessments by return;

for each township in the county as of each assessment date;

(2) maintain the electronic file in a form that formats the information in the file with the standard data, field, and record coding required and approved by:

(A) the legislative services agency; and

(B) the department of local government finance;

(3) transmit the data in the file with respect to the assessment date of each year before October 1 of the year to:

(A) the legislative services agency; and

(B) the department of local government finance;

in a manner that meets the data export and transmission requirements in a standard format, as prescribed by the office of technology established by IC 4-13.1-2-1 and approved by the legislative services agency; and

(4) resubmit the data in the form and manner required under this subsection, upon request of the legislative services agency or the department of local government finance, if data previously submitted under this subsection does not comply with the requirements of this subsection, as determined by the legislative services agency or the department of local government finance.

An electronic data file maintained for a particular assessment date may not be overwritten with data for a subsequent assessment date until a copy of an electronic data file that preserves the data for the particular assessment date is archived in the manner prescribed by the office of technology established by IC 4-13.1-2-1 and approved by the legislative services agency."

Delete page 65.

Page 66, delete lines 1 through 12.

Page 67, delete lines 20 through 42, begin a new paragraph and insert:

"SECTION 77. IC 6-1.1-4-28.5, AS AMENDED BY P.L.219-2007, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 28.5. (a) Money assigned to a property reassessment fund under section 27.5 of this chapter may be used only to pay the costs of:

(1) the general reassessment of real property, including the computerization of assessment records;

(2) payments to ~~county assessors, members of property tax assessment boards of appeals, or~~ assessing officials ~~and~~

~~hearing officers for county property tax assessment boards of appeals~~ under IC 6-1.1-35.2;

(3) the development or updating of detailed soil survey data by the United States Department of Agriculture or its successor agency;

(4) the updating of plat books;

(5) payments for the salary of permanent staff or for the contractual services of temporary staff who are necessary to assist ~~county assessors, members of a county property tax assessment board of appeals, and~~ assessing officials;

(6) making annual adjustments under section 4.5 of this chapter; and

(7) the verification under 50 IAC 21-3-2 of sales disclosure forms forwarded to

~~(A) the county assessor or~~

~~(B) township assessors;~~

under IC 6-1.1-5.5-3.

Money in a property tax reassessment fund may not be transferred or reassigned to any other fund and may not be used for any purposes other than those set forth in this section.

(b) All counties shall use modern, detailed soil maps in the general reassessment of agricultural land.

(c) The county treasurer of each county shall, in accordance with IC 5-13-9, invest any money accumulated in the property reassessment fund. Any interest received from investment of the money shall be paid into the property reassessment fund.

(d) An appropriation under this section must be approved by the fiscal body of the county after the review and recommendation of the county assessor. ~~However, in a county with an elected township assessor in every township, the county assessor does not review an appropriation under this section, and only the fiscal body must approve an appropriation under this section."~~

Page 68, delete lines 1 through 18.

Page 68, delete lines 34 through 42, begin a new paragraph and insert:

"SECTION 79. IC 6-1.1-4-31, AS AMENDED BY P.L.228-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 31. (a) The department of local government finance shall periodically check the conduct of:

(1) a general reassessment of property;

(2) work required to be performed by local officials under 50 IAC 21; and

(3) other property assessment activities in the county, as determined by the department.

The department of local government finance may inform ~~township assessors~~ county assessors and the ~~city-county council,~~ **for a county having a consolidated city, or the** presidents of county councils ~~of other counties~~ in writing if its check reveals that the general reassessment or other property assessment activities are not being properly conducted, work required to be performed by local officials under 50 IAC 21 is not being properly conducted, or property assessments are not being properly made.

(b) The failure of the department of local government finance to inform local officials under subsection (a) shall not be construed as an indication by the department that:

- (1) the general reassessment or other property assessment activities are being properly conducted;
- (2) work required to be performed by local officials under 50 IAC 21 is being properly conducted; or
- (3) property assessments are being properly made.

(c) If the department of local government finance:

- (1) determines under subsection (a) that a general reassessment or other assessment activities for a general reassessment year or any other year are not being properly conducted; and
- (2) informs:

~~(A) the township assessor of each affected township;~~

~~(B) (A) the county assessor; and~~

~~(C) (B) the city-county council or the president of the county council;~~

in writing under subsection (a);

the department may order a state conducted assessment or reassessment under section 31.5 of this chapter to begin not less than sixty (60) days after the date of the notice under subdivision (2). If the department determines during the period between the date of the notice under subdivision (2) and the proposed date for beginning the state conducted assessment or reassessment that the general reassessment or other assessment activities for the general reassessment are being properly conducted, the department may rescind the order.

(d) If the department of local government finance:

- (1) determines under subsection (a) that work required to be performed by local officials under 50 IAC 21 is not being properly conducted; and
- (2) informs:

~~(A) the township assessor of each affected township~~

~~(B) (A) the county assessor; and~~

~~(C) (B) the city-county council or the president of the county council;~~

in writing under subsection (a);

the department may conduct the work or contract to have the work conducted to begin not less than sixty (60) days after the date of the notice under subdivision (2). If the department determines during the period between the date of the notice under subdivision (2) and the proposed date for beginning the work or having the work conducted that work required to be performed by local officials under 50 IAC 21 is being properly conducted, the department may rescind the order.

(e) If the department of local government finance contracts to have work conducted under subsection (d), the department shall forward the bill for the services to the county, and the county shall pay the bill under the same procedures that apply to county payments of bills for assessment or reassessment services under section 31.5 of this chapter.

**(f) A county council president who is informed by the department of local government finance under subsection (a) shall provide the information to the board of county commissioners. A board of county commissioners that receives information under this subsection may adopt an ordinance determining that:**

- (1) the information indicates that the county assessor has failed to perform adequately the duties of county assessor; and**

**(2) by that failure the county assessor forfeits the office of county assessor and is subject to removal from office by an information filed under IC 34-17-2-1(b).**

**(g) A city-county council that is informed by the department of local government finance under subsection (a) may adopt an ordinance making the determination referred to in subsection (f)."**

Delete page 69.

Page 70, delete lines 1 through 36.

Page 75, delete lines 25 through 42, begin a new paragraph and insert:

"SECTION 81. IC 6-1.1-4-31.6, AS ADDED BY P.L.228-2005, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 31.6. (a) Subject to the other requirements of this section, the department of local government finance may:

- (1) negotiate an addendum to a contract referred to in ~~section 31.5(g)~~ **section 31.5(f)** of this chapter that is treated as a contract of the department; or

- (2) include provisions in a contract entered into by the department under ~~section 31.5(g)~~ **section 31.5(f)** of this chapter;

to require the contractor of the department to represent the department in appeals initiated under section 31.7 of this chapter and to afford to taxpayers an opportunity to attend an informal hearing.

(b) The purpose of the informal hearing referred to in subsection (a) is to:

- (1) discuss the specifics of the taxpayer's assessment or reassessment;
- (2) review the taxpayer's property record card;
- (3) explain to the taxpayer how the assessment or reassessment was determined;
- (4) provide to the taxpayer information about the statutes, rules, and guidelines that govern the determination of the assessment or reassessment;
- (5) note and consider objections of the taxpayer;
- (6) consider all errors alleged by the taxpayer; and
- (7) otherwise educate the taxpayer about:

(A) the taxpayer's assessment or reassessment;

(B) the assessment or reassessment process; and

(C) the assessment or reassessment appeal process under section 31.7 of this chapter.

(c) Following an informal hearing referred to in subsection (b), the contractor shall:

- (1) make a recommendation to the department of local government finance as to whether a change in the reassessment is warranted; and

- (2) if recommending a change under subdivision (1), provide to the department a statement of:

(A) how the changed assessment or reassessment was determined; and

(B) the amount of the changed assessment or reassessment.

(d) To preserve the right to appeal under section 31.7 of this chapter, a taxpayer must initiate the informal hearing process by notifying the department of local government finance or its designee of the taxpayer's intent to participate in an informal



hearing referred to in subsection (b) not later than forty-five (45) days after the department of local government finance gives notice under ~~section 31.5(h)~~ **section 31.5(g)** of this chapter to taxpayers of the amount of the reassessment.

(e) The informal hearings referred to in subsection (b) must be conducted:

- (1) in the county where the property is located; and
- (2) in a manner determined by the department of local government finance.

(f) The department of local government finance shall:

- (1) consider the recommendation of the contractor under subsection (c); and
- (2) if the department accepts a recommendation that a change in the assessment or reassessment is warranted, accept or modify the recommended amount of the changed assessment or reassessment.

(g) The department of local government finance shall send a notice of the result of each informal hearing to:

- (1) the taxpayer;
- (2) the county auditor; **and**
- (3) the county assessor. ~~and~~
- ~~(4) the township assessor of the township in which the property is located.~~

(h) A notice under subsection (g) must:

- (1) state whether the assessment or reassessment was changed as a result of the informal hearing; and
- (2) if the assessment or reassessment was changed as a result of the informal hearing:
  - (A) indicate the amount of the changed assessment or reassessment; and
  - (B) provide information on the taxpayer's right to appeal under section 31.7 of this chapter.

(i) If the department of local government finance does not send a notice under subsection (g) not later than two hundred seventy (270) days after the date the department gives notice of the amount of the assessment or reassessment under ~~section 31.5(h)~~ **section 31.5(g)** of this chapter:

- (1) the department may not change the amount of the assessment or reassessment under the informal hearing process described in this section; and
- (2) the taxpayer may appeal the assessment or reassessment under section 31.7 of this chapter.

(j) The department of local government finance may adopt rules to establish procedures for informal hearings under this section.

(k) Payment for an addendum to a contract under subsection (a)(1) is made in the same manner as payment for the contract under ~~section 31.5(i)~~ **section 31.5(h)** of this chapter.

SECTION 82. IC 6-1.1-4-31.7, AS AMENDED BY P.L.219-2007, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 31.7. (a) As used in this section, "special master" refers to a person designated by the Indiana board under subsection (e).

(b) The notice of assessment or reassessment under ~~section 31.5(h)~~ **section 31.5(g)** of this chapter is subject to appeal by the taxpayer to the Indiana board. The procedures and time limitations that apply to an appeal to the Indiana board of a determination of the department of local government finance do

not apply to an appeal under this subsection. The Indiana board may establish applicable procedures and time limitations under subsection (l).

(c) In order to appeal under subsection (b), the taxpayer must:

- (1) participate in the informal hearing process under section 31.6 of this chapter;
- (2) except as provided in section 31.6(i) of this chapter, receive a notice under section 31.6(g) of this chapter; and
- (3) file a petition for review with the appropriate county assessor not later than thirty (30) days after:

- (A) the date of the notice to the taxpayer under section 31.6(g) of this chapter; or
- (B) the date after which the department may not change the amount of the assessment or reassessment under the informal hearing process described in section 31.6 of this chapter.

(d) The Indiana board may develop a form for petitions under subsection (c) that outlines:

- (1) the appeal process;
- (2) the burden of proof; and
- (3) evidence necessary to warrant a change to an assessment or reassessment.

(e) The Indiana board may contract with, appoint, or otherwise designate the following to serve as special masters to conduct evidentiary hearings and prepare reports required under subsection (g):

- (1) Independent, licensed appraisers.
- (2) Attorneys.
- (3) Certified level two or level three Indiana assessor-appraisers (including administrative law judges employed by the Indiana board).
- (4) Other qualified individuals.

(f) Each contract entered into under subsection (e) must specify the appointee's compensation and entitlement to reimbursement for expenses. The compensation and reimbursement for expenses are paid from the county property reassessment fund.

(g) With respect to each petition for review filed under subsection (c), the special masters shall:

- (1) set a hearing date;
- (2) give notice of the hearing at least thirty (30) days before the hearing date, by mail, to:
  - (A) the taxpayer;
  - (B) the department of local government finance;
  - ~~(C) the township assessor;~~ and
  - ~~(D)~~ (C) the county assessor;
- (3) conduct a hearing and hear all evidence submitted under this section; and
- (4) make evidentiary findings and file a report with the Indiana board.

(h) At the hearing under subsection (g):

- (1) the taxpayer shall present:
  - (A) the taxpayer's evidence that the assessment or reassessment is incorrect;
  - (B) the method by which the taxpayer contends the assessment or reassessment should be correctly determined; and

- (C) comparable sales, appraisals, or other pertinent information concerning valuation as required by the Indiana board; and
- (2) the department of local government finance shall present its evidence that the assessment or reassessment is correct.
- (i) The Indiana board may dismiss a petition for review filed under subsection (c) if the evidence and other information required under subsection (h)(1) is not provided at the hearing under subsection (g).
- (j) The ~~township assessor and the~~ county assessor may attend and participate in the hearing under subsection (g).
- (k) The Indiana board may:
  - (1) consider the report of the special masters under subsection (g)(4);
  - (2) make a final determination based on the findings of the special masters without:
    - (A) conducting a hearing; or
    - (B) any further proceedings; and
  - (3) incorporate the findings of the special masters into the board's findings in resolution of the appeal.
- (l) The Indiana board may adopt rules under IC 4-22-2-37.1 to:
  - (1) establish procedures to expedite:
    - (A) the conduct of hearings under subsection (g); and
    - (B) the issuance of determinations of appeals under subsection (k); and
  - (2) establish deadlines:
    - (A) for conducting hearings under subsection (g); and
    - (B) for issuing determinations of appeals under subsection (k).
- (m) A determination by the Indiana board of an appeal under subsection (k) is subject to appeal to the tax court under IC 6-1.1-15.

SECTION 83. IC 6-1.1-4-39, AS AMENDED BY P.L.199-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 39. (a) For assessment dates after February 28, 2005, except as provided in subsections (c) and (e), the true tax value of real property regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more and that has more than four (4) rental units is the lowest valuation determined by applying each of the following appraisal approaches:

- (1) Cost approach that includes an estimated reproduction or replacement cost of buildings and land improvements as of the date of valuation together with estimates of the losses in value that have taken place due to wear and tear, design and plan, or neighborhood influences.
  - (2) Sales comparison approach, using data for generally comparable property.
  - (3) Income capitalization approach, using an applicable capitalization method and appropriate capitalization rates that are developed and used in computations that lead to an indication of value commensurate with the risks for the subject property use.
- (b) The gross rent multiplier method is the preferred method of valuing:

- (1) real property that has at least one (1) and not more than four (4) rental units; and
- (2) mobile homes assessed under IC 6-1.1-7.

(c) A ~~township~~ **county** assessor is not required to appraise real property referred to in subsection (a) using the three (3) appraisal approaches listed in subsection (a) if the ~~township~~ assessor and the taxpayer agree before notice of the assessment is given to the taxpayer under section 22 of this chapter to the determination of the true tax value of the property by the assessor using one (1) of those appraisal approaches.

(d) To carry out this section, the department of local government finance may adopt rules for assessors to use in gathering and processing information for the application of the income capitalization method and the gross rent multiplier method. A taxpayer must verify under penalties for perjury any information provided to the **county** assessor for use in the application of either method.

(e) The true tax value of low income rental property (as defined in section 41 of this chapter) is not determined under subsection (a). The assessment method prescribed in section 41 of this chapter is the exclusive method for assessment of that property. This subsection does not impede any rights to appeal an assessment.

SECTION 84. IC 6-1.1-4-39.5, AS ADDED BY P.L.233-2007, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 39.5. (a) As used in this section, "qualified real property" means a riverboat (as defined in IC 4-33-2-17).

(b) Except as provided in subsection (c), the true tax value of qualified real property is the lowest valuation determined by applying each of the following appraisal approaches:

- (1) Cost approach that includes an estimated reproduction or replacement cost of buildings and land improvements as of the date of valuation together with estimates of the losses in value that have taken place due to wear and tear, design and plan, or neighborhood influences using base prices determined under 50 IAC 2.3 and associated guidelines published by the department.
- (2) Sales comparison approach, using data for generally comparable property, excluding values attributable to licenses, fees, or personal property as determined under 50 IAC 4.2.
- (3) Income capitalization approach, using an applicable capitalization method and appropriate capitalization rates that are developed and used in computations that lead to an indication of value commensurate with the risks for the subject property use.

(c) A ~~township~~ **county** assessor is not required to appraise qualified real property using the three (3) appraisal approaches listed in subsection (b) if the ~~township~~ **county** assessor and the taxpayer agree before notice of the assessment is given to the taxpayer under section 22 of this chapter to the determination of the true tax value of the property by the assessor using one (1) of those appraisal approaches.

(d) To carry out this section, the department of local government finance may adopt rules for assessors to use in gathering and processing information for the application of the income capitalization method. A taxpayer must verify under

penalties for perjury any information provided to the assessor for use in the application of the income capitalization method.

SECTION 85. IC 6-1.1-5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. Except as provided in section 9 of this chapter, the county auditor of each county shall annually prepare and deliver to the ~~township county~~ assessor a list of all real property entered in the ~~township county~~ as of the assessment date. The county auditor shall deliver the list within thirty (30) days after the assessment date. The county auditor shall prepare the list in the form prescribed or approved by the department of local government finance.

SECTION 86. IC 6-1.1-5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. Except as provided in section 4(b) of this chapter, ~~for all civil townships in which in a county containing~~ a consolidated city, ~~is situated~~, the ~~township county~~ assessor has the duties and authority described in sections 1 through 8 of this chapter. These duties and authority include effecting the transfer of title to real property and preparing, maintaining, approving, correcting, indexing, and publishing the list or record of, or description of title to, real property. If a court renders a judgment for the partition or transfer of real property located in ~~one (1) of these townships~~, ~~a county containing a consolidated city~~, the clerk of the court shall deliver the transcript to the ~~township county~~ assessor.

SECTION 87. IC 6-1.1-5-9.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9.1. (a) Except:

- (1) as provided in subsection (b); and
- (2) for civil townships described in section 9 of this chapter;

and notwithstanding the provisions of sections 1 through 8 of this chapter, for all other civil townships having a population of thirty-five thousand (35,000) or more, for a civil township that falls below a population of thirty-five thousand (35,000) at a federal decennial census that takes effect after December 31, 2001, and for all other civil townships in which a city of the second class is located, the ~~township county~~ assessor shall make the real property lists and the plats described in sections 1 through 8 of this chapter.

(b) In a civil township that attains a population of thirty-five thousand (35,000) or more at a federal decennial census that takes effect after December 31, 2001, the county auditor shall make the real property lists and the plats described in sections 1 through 8 of this chapter unless the ~~township county~~ assessor determines to assume the duty from the county auditor.

(c) With respect to townships in which the township assessor makes the real property lists and the plats described in sections ~~1 through 8 of this chapter~~, the county auditor shall, upon completing the tax duplicate, return the real property lists to the township assessor for the continuation of the lists by the assessor. If land located in ~~one (1) of these townships~~ is platted, the plat shall be presented to the township assessor instead of the county auditor, before it is recorded. The township assessor shall then enter the lots or parcels described in the plat on the tax lists in lieu of the land included in the plat.

SECTION 88. IC 6-1.1-5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. If a ~~township county~~ assessor believes that it is necessary to obtain an accurate description of a specific lot or tract, which is situated in the

~~township he serves~~, the assessor may demand in writing that the owner or occupant of the lot or tract deliver all the title papers in ~~his the owner's or occupant's~~ possession to the assessor for ~~his the assessor's~~ examination. If the person fails to deliver the title papers to the assessor at ~~his the assessor's~~ office within five (5) days after the demand is mailed, the assessor shall prepare the real property list according to the best information ~~he the assessor~~ can obtain. For that purpose, the assessor may examine, under oath, any person whom ~~he the assessor~~ believes has any knowledge relevant to the issue."

Delete pages 76 through 82.

Page 83, delete lines 1 through 8.

Page 84 delete lines 5 through 42, begin a new paragraph and insert:

"SECTION 90. IC 6-1.1-5-14, AS AMENDED BY P.L.88-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 14. ~~Not later than May 15, each assessing official shall prepare and deliver to the county assessor a detailed list of the real property listed for taxation in the township.~~ On or before July 1 of each year, each county assessor shall, under oath, prepare and deliver to the county auditor a detailed list of the real property listed for taxation in the county. ~~In a county with an elected township assessor in every township the township assessor shall prepare the real property list.~~ The assessing officials and the county assessor shall prepare the list in the form prescribed by the department of local government finance. ~~The township assessor shall ensure that the county assessor has full access to the assessment records maintained by the township assessor.~~

SECTION 91. IC 6-1.1-5-15, AS AMENDED BY P.L.228-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 15. (a) Except as provided in subsection (b), before an owner of real property demolishes, structurally modifies, or improves it at a cost of more than five hundred dollars (\$500) for materials or labor, or both, the owner or the owner's agent shall file with the area plan commission or the county assessor in the county where the property is located an assessment registration notice on a form prescribed by the department of local government finance.

(b) If the owner of the real property, or the person performing the work for the owner, is required to obtain a permit from an agency or official of the state or a political subdivision for the demolition, structural modification, or improvement, the owner or the person performing the work for the owner is not required to file an assessment registration notice.

(c) Each state or local government official or agency shall, before the tenth day of each month, deliver a copy of each permit described in subsection (b) to the assessor of the county in which the real property to be improved is situated. Each area plan commission shall, before the tenth day of each month, deliver a copy of each assessment registration notice described in subsection (a) to the assessor of the county where the property is located.

(d) ~~Before the last day of each month, the county assessor shall distribute a copy of each assessment registration notice filed under subsection (a) or permit received under subsection (b) to the assessor of the township in which the real property to be demolished, modified, or improved is situated.~~

~~(c)~~ (d) A fee of five dollars (\$5) shall be charged by the area plan commission or the county assessor for the filing of the assessment registration notice. All fees collected under this subsection shall be deposited in the county property reassessment fund.

~~(f)~~ (e) A ~~township~~ or county assessor shall immediately notify the county treasurer if the assessor discovers property that has been improved or structurally modified at a cost of more than five hundred dollars (\$500) and the owner of the property has failed to obtain the required building permit or to file an assessment registration notice.

~~(g)~~ (f) Any person who fails to:

- (1) file the registration notice required by subsection (a); or
- (2) obtain a building permit described in subsection (b);

before demolishing, structurally modifying, or improving real property is subject to a civil penalty of one hundred dollars (\$100). The county treasurer shall include the penalty on the person's property tax statement and collect it in the same manner as delinquent personal property taxes under IC 6-1.1-23. However, if a person files a late registration notice, the person shall pay the fee, if any, and the penalty to the area plan commission or the county assessor at the time the person files the late registration notice.

SECTION 92. IC 6-1.1-5.5-3, AS AMENDED BY P.L.219-2007, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) For purposes of this section, "party" includes:

- (1) a seller of property that is exempt under the seller's ownership; or
- (2) a purchaser of property that is exempt under the purchaser's ownership;

from property taxes under IC 6-1.1-10.

(b) Before filing a conveyance document with the county auditor under IC 6-1.1-5-4, all the parties to the conveyance must do the following:

- (1) Complete and sign a sales disclosure form as prescribed by the department of local government finance under section 5 of this chapter. All the parties may sign one (1) form, or if all the parties do not agree on the information to be included on the completed form, each party may sign and file a separate form.

- (2) Before filing a sales disclosure form with the county auditor, submit the sales disclosure form to the county assessor. The county assessor must review the accuracy and completeness of each sales disclosure form submitted immediately upon receipt of the form and, if the form is accurate and complete, stamp the form as eligible for filing with the county auditor and return the form to the appropriate party for filing with the county auditor. If multiple forms are filed in a short period, the county assessor shall process the forms as quickly as possible. For purposes of this subdivision, a sales disclosure form is considered to be accurate and complete if:

- (A) the county assessor does not have substantial evidence when the form is reviewed under this subdivision that information in the form is inaccurate; and
- (B) the form:

- (i) substantially conforms to the sales disclosure form prescribed by the department of local government finance under section 5 of this chapter; and

- (ii) is submitted to the county assessor in a format usable to the county assessor.

- (3) File the sales disclosure form with the county auditor.

(c) ~~Except as provided in subsection (d);~~ The auditor shall forward each sales disclosure form to the county assessor. The county assessor shall retain the forms for five (5) years. The county assessor shall forward the sales disclosure form data to the department of local government finance and the legislative services agency in an electronic format specified jointly by the department of local government finance and the legislative services agency. ~~The county assessor shall forward a copy of the sales disclosure forms to the township assessors in the county.~~ The forms may be used by the county assessing officials, the department of local government finance, and the legislative services agency for the purposes established in IC 6-1.1-4-13.6, sales ratio studies, equalization, adoption of rules under IC 6-1.1-31-3 and IC 6-1.1-31-6, and any other authorized purpose.

~~(d) In a county containing a consolidated city, the auditor shall forward the sales disclosure form to the appropriate township assessor. The township assessor shall forward the sales disclosure form to the department of local government finance and the legislative services agency in an electronic format specified jointly by the department of local government finance and the legislative services agency. The forms may be used by the county assessing officials, the department of local government finance, and the legislative services agency for the purposes established in IC 6-1.1-4-13.6, sales ratio studies, equalization, adoption of rules under IC 6-1.1-31-3 and IC 6-1.1-31-6, and any other authorized purpose.~~

~~(e)~~ (d) If a sales disclosure form includes the telephone number or Social Security number of a party, the telephone number or Social Security number is confidential.

~~(f)~~ (e) County assessing officials and other local officials may not establish procedures or requirements concerning sales disclosure forms that substantially differ from the procedures and requirements of this chapter.

SECTION 93. IC 6-1.1-5.5-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12. (a) A party to a conveyance who:

- (1) is required to file a sales disclosure form under this chapter; and
- (2) fails to file a sales disclosure form at the time and in the manner required by this chapter;

is subject to a penalty in the amount determined under subsection (b).

(b) The amount of the penalty under subsection (a) is the greater of:

- (1) one hundred dollars (\$100); or
- (2) twenty-five thousandths percent (0.025%) of the sale price of the real property transferred under the conveyance document.

(c) ~~The township assessor in a county containing a consolidated city; or the county assessor in any other county;~~ shall:

- (1) determine the penalty imposed under this section;
- (2) assess the penalty to the party to a conveyance; and
- (3) notify the party to the conveyance that the penalty is payable not later than thirty (30) days after notice of the assessment.

(d) The county auditor shall:

- (1) collect the penalty imposed under this section;
- (2) deposit penalty collections as required under section 4 of this chapter; and
- (3) notify the county prosecuting attorney of delinquent payments.

(e) The county prosecuting attorney shall initiate an action to recover a delinquent penalty under this section. In a successful action against a person for a delinquent penalty, the court shall award the county prosecuting attorney reasonable attorney's fees.

SECTION 94. IC 6-1.1-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. A person who permits a mobile home to be placed on any land which ~~he~~ **the person** owns, possesses, or controls shall report that fact to the **county** assessor of the **township county** in which the land is located within ten (10) days after the mobile home is placed on the land. The ten (10) day period commences the day after the day that the mobile home is placed upon the land.

SECTION 95. IC 6-1.1-7-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. A mobile home which is subject to taxation under this chapter shall be assessed by the **county** assessor of the **township county** within which the place of assessment is located. Each **township county** assessor ~~of a county~~ shall certify the assessments of mobile homes to the county auditor in the same manner provided for the certification of personal property assessments. The township **or county** assessor shall make this certification on the forms prescribed by the department of local government finance.

SECTION 96. IC 6-1.1-8-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 23. Each year a public utility company shall file a statement with the ~~assessor of each township and~~ county assessor of each county in which the company's property is located. The company shall file the statement on the form prescribed by the department of local government finance. The statement shall contain a description of the company's tangible personal property located in the ~~township~~ **county**.

SECTION 97. IC 6-1.1-8-24, AS AMENDED BY P.L.88-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 24. ~~(a)~~ Each year ~~a township the county~~ assessor shall:

(1) assess the fixed property ~~which that~~ as of the assessment date of that year is:

- ~~(1)~~ (A) owned or used by a public utility company; and
- ~~(2)~~ (B) located in ~~the each township in the township assessor serves~~ **county**; and

(b) The township assessor shall determine the assessed value of fixed property. The township assessor shall certify the assessed values to the county assessor on or before April 1 of the year of assessment. However, in a county with an elected township assessor in every township the township assessor shall certify the list to the department of local government finance. ~~The county assessor shall review the assessed values and shall~~

(2) certify the assessed values to the department of local government finance on or before April 10 of ~~the that~~ year. ~~of assessment.~~

SECTION 98. IC 6-1.1-8-33 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 33. A public utility company may appeal a **township county** assessor's assessment of fixed property in the same manner that it may appeal a **township county** assessor's assessment of tangible property under ~~IC 1971~~ **IC 6-1.1-15**.

SECTION 99. IC 6-1.1-8-39 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 39. The annual assessments of a public utility company's property are presumed to include all the company's property which is subject to taxation under this chapter. However, this presumption does not preclude the subsequent assessment of a specific item of tangible property which is clearly shown to have been omitted from the assessments for that year. The ~~appropriate township county~~ assessor shall make assessments of omitted fixed property. The department of local government finance shall make assessments of omitted distributable property. However, the department of local government finance may not assess omitted distributable property after the expiration of ten (10) years from the last day of the year in which the assessment should have been made.

SECTION 100. IC 6-1.1-8.5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. (a) The **township county** assessor of each **township** in a qualifying county shall notify the department of local government finance of a newly constructed industrial facility that is located in the ~~township served by the township assessor~~ **county**.

(b) Each building commissioner in a qualifying county shall notify the department of local government finance of a newly constructed industrial facility that is located in the jurisdiction served by the building commissioner.

(c) The department of local government finance shall schedule an assessment under this chapter of a newly constructed industrial facility within six (6) months after receiving notice of the construction ~~from the appropriate township assessor or building commissioner~~ **under this section**.

SECTION 101. IC 6-1.1-9-1, AS AMENDED BY P.L.219-2007, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. If a **township assessor** county assessor or county property tax assessment board of appeals believes that any taxable tangible property has been omitted from or undervalued on the assessment rolls or the tax duplicate for any year or years, the official or board shall give written notice under IC 6-1.1-3-20 or IC 6-1.1-4-22 of the assessment or increase in assessment. The notice shall contain a general description of the property and a statement describing the taxpayer's right to a review with the county property tax assessment board of appeals under IC 6-1.1-15-1.

SECTION 102. IC 6-1.1-9-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6. ~~The county assessor shall obtain from the county auditor or the township assessors all returns for tangible property made by the township assessors of the county and all assessment lists, schedules, statements, maps, and other books and papers filed with the county auditor by the township assessors.~~ For purposes of discovering undervalued or omitted property, the county assessor

shall carefully examine the county tax duplicates and all other pertinent records and papers of the county auditor, treasurer, recorder, clerk, sheriff, and surveyor. The county assessor shall, in the manner prescribed in this article, assess all omitted or undervalued tangible property which is subject to assessment.

SECTION 103. IC 6-1.1-10-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. (a) The owner of an industrial waste control facility who wishes to obtain the exemption provided in section 9 of this chapter shall file an exemption claim **along** with the assessor of the township in ~~which the property is located when he files his owner's~~ annual personal property return. The claim shall describe and state the assessed value of the property for which an exemption is claimed.

(b) The owner shall, by registered or certified mail, forward a copy of the exemption claim to the department of environmental management. The department shall acknowledge its receipt of the claim.

(c) The department of environmental management may investigate any claim. The department may also determine if the property for which the exemption is claimed is being utilized as an industrial waste control facility. Within one hundred twenty (120) days after a claim is mailed to the department, the department may certify its written determination to the **township county** assessor with whom the claim was filed.

(d) The determination of the department remains in effect:

- (1) as long as the owner owns the property and uses the property as an industrial waste control facility; or
- (2) for five (5) years;

whichever is less. In addition, during the five (5) years after the department's determination the owner of the property must notify the **township county** assessor and the department in writing if any of the property on which the department's determination was based is disposed of or removed from service as an industrial waste control facility.

(e) The department may revoke a determination if the department finds that the property is not predominantly used as an industrial waste control facility.

(f) The **township county** assessor, in accord with the determination of the department, shall allow or deny in whole or in part each exemption claim. However, if the owner provides the assessor with proof that a copy of the claim has been mailed to the department, and if the department has not certified a determination to the assessor within one hundred twenty (120) days after the claim has been mailed to the department, the assessor shall allow the total exemption claimed by the owner.

(g) The assessor shall reduce the assessed value of the owner's personal property for the year for which an exemption is claimed by the amount of exemption allowed.

SECTION 104. IC 6-1.1-10-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 13. (a) The owner of personal property which is part of a stationary or unlicensed mobile air pollution control system who wishes to obtain the exemption provided in section 12 of this chapter shall claim the exemption on ~~his the owner's~~ annual personal property return. ~~which he files with the assessor of the township in which the property is located.~~ On the return, the owner shall describe and state the assessed value of the property for which the

exemption is claimed.

(b) The **township county** assessor shall:

- (1) review the exemption claim; and ~~he shall~~
- (2) allow or deny it in whole or in part.

In making ~~his the~~ decision, the **township county** assessor shall consider the requirements stated in section 12 of this chapter.

(c) The **township county** assessor shall reduce the assessed value of the owner's personal property for the year for which the exemption is claimed by the amount of exemption allowed.

SECTION 105. IC 6-1.1-10-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 14. The action taken by a **township county** assessor on an exemption claim filed under section 10 or ~~section~~ 13 of this chapter shall be treated as an assessment of personal property. Thus, the assessor's action is subject to all the provisions of this article pertaining to notice, review, or appeal of personal property assessments."

Delete pages 85 through 90.

Page 91, delete lines 1 through 14.

Page 92, delete lines 18 through 42, begin a new paragraph and insert:

"SECTION 107. IC 6-1.1-11-3, AS AMENDED BY P.L.219-2007, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) Subject to subsections (e), (f), and (g), an owner of tangible property who wishes to obtain an exemption from property taxation shall file a certified application in duplicate with the county assessor of the county in which the property that is the subject of the exemption is located. The application must be filed annually on or before May 15 on forms prescribed by the department of local government finance. Except as provided in sections 1, 3.5, and 4 of this chapter, the application applies only for the taxes imposed for the year for which the application is filed.

(b) The authority for signing an exemption application may not be delegated by the owner of the property to any other person except by an executed power of attorney.

(c) An exemption application which is required under this chapter shall contain the following information:

- (1) A description of the property claimed to be exempt in sufficient detail to afford identification.
- (2) A statement showing the ownership, possession, and use of the property.
- (3) The grounds for claiming the exemption.
- (4) The full name and address of the applicant.
- (5) For the year that ends on the assessment date of the property, identification of:
  - (A) each part of the property used or occupied; and
  - (B) each part of the property not used or occupied; for one (1) or more exempt purposes under IC 6-1.1-10 during the time the property is used or occupied.
- (6) Any additional information which the department of local government finance may require.

(d) A person who signs an exemption application shall attest in writing and under penalties of perjury that, to the best of the person's knowledge and belief, a predominant part of the property claimed to be exempt is not being used or occupied in connection with a trade or business that is not substantially related to the exercise or performance of the organization's exempt purpose.

(e) An owner must file with an application for exemption of real property under subsection (a) or section 5 of this chapter a copy of the ~~township~~ **county** assessor's record kept under IC 6-1.1-4-25(a) that shows the calculation of the assessed value of the real property for the assessment date for which the exemption is claimed. ~~Upon receipt of the exemption application, the county assessor shall examine that record and determine if the real property for which the exemption is claimed is properly assessed. If the county assessor determines that the real property is not properly assessed, the county assessor shall direct the township assessor of the township in which the real property is located to:~~

- ~~(1) properly assess the real property; and~~
- ~~(2) notify the county assessor and county auditor of the proper assessment.~~

(f) If the county assessor determines that the applicant has not filed with an application for exemption a copy of the record referred to in subsection (e), the county assessor shall notify the applicant in writing of that requirement. The applicant then has thirty (30) days after the date of the notice to comply with that requirement. The county property tax assessment board of appeals shall deny an application described in this subsection if the applicant does not comply with that requirement within the time permitted under this subsection.

(g) This subsection applies whenever a law requires an exemption to be claimed on or in an application accompanying a personal property tax return. The claim or application may be filed on or with a personal property tax return not more than thirty (30) days after the filing date for the personal property tax return, regardless of whether an extension of the filing date has been granted under IC 6-1.1-3-7."

Page 93, delete lines 1 through 41.

Page 94, delete lines 30 through 42, begin a new paragraph and insert:

"SECTION 109. IC 6-1.1-12-20, AS AMENDED BY P.L.154-2006, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 20. (a) A property owner who desires to obtain the deduction provided by section 18 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the rehabilitated property is located. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. Except as provided in subsection (b), the application must be filed before June 11 of the year in which the addition to assessed value is made.

(b) If notice of the addition to assessed value for any year is not given to the property owner before May 11 of that year, the application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the **township county** assessor.

(c) The application required by this section shall contain the following information:

- (1) A description of the property for which a deduction is claimed in sufficient detail to afford identification.
- (2) Statements of the ownership of the property.
- (3) The assessed value of the improvements on the property

before rehabilitation.

- (4) The number of dwelling units on the property.
- (5) The number of dwelling units rehabilitated.
- (6) The increase in assessed value resulting from the rehabilitation. ~~and~~
- (7) The amount of deduction claimed.

(d) A deduction application filed under this section is applicable for the year in which the increase in assessed value occurs and for the immediately following four (4) years without any additional application being filed.

(e) On verification of an application by the **county** assessor, ~~of the township in which the property is located~~, the county auditor shall make the deduction.

SECTION 110. IC 6-1.1-12-24, AS AMENDED BY P.L.154-2006, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 24. (a) A property owner who desires to obtain the deduction provided by section 22 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is located. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. Except as provided in subsection (b), the application must be filed before June 11 of the year in which the addition to assessed valuation is made.

(b) If notice of the addition to assessed valuation for any year is not given to the property owner before May 11 of that year, the application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the **township county** assessor.

(c) The application required by this section shall contain the following information:

- (1) The name of the property owner.
- (2) A description of the property for which a deduction is claimed in sufficient detail to afford identification.
- (3) The assessed value of the improvements on the property before rehabilitation.
- (4) The increase in the assessed value of improvements resulting from the rehabilitation. ~~and~~
- (5) The amount of deduction claimed.

(d) A deduction application filed under this section is applicable for the year in which the addition to assessed value is made and in the immediate following four (4) years without any additional application being filed.

(e) On verification of the correctness of an application by the **county** assessor, ~~of the township in which the property is located~~, the county auditor shall make the deduction.

SECTION 111. IC 6-1.1-12-27.1, AS AMENDED BY P.L.183-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 27.1. Except as provided in section 36 of this chapter, a person who desires to claim the deduction provided by section 26 of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property or mobile home is subject to assessment. With respect to real property, the person must file the statement during the twelve (12) months before June 11 of

each year for which the person desires to obtain the deduction. With respect to a mobile home which is not assessed as real property, the person must file the statement during the twelve (12) months before March 31 of each year for which the person desires to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. On verification of the statement by the **county** assessor of the **township county** in which the real property or mobile home is subject to assessment, the county auditor shall allow the deduction.

SECTION 112. IC 6-1.1-12-28.5, AS AMENDED BY P.L.137-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 28.5. (a) For purposes of this section:

- (1) "Hazardous waste" has the meaning set forth in IC 13-11-2-99(a) and includes a waste determined to be a hazardous waste under IC 13-22-2-3(b).
- (2) "Resource recovery system" means tangible property directly used to dispose of solid waste or hazardous waste by converting it into energy or other useful products.
- (3) "Solid waste" has the meaning set forth in IC 13-11-2-205(a) but does not include dead animals or any animal solid or semisolid wastes.

(b) Except as provided in this section, the owner of a resource recovery system is entitled to an annual deduction in an amount equal to ninety-five percent (95%) of the assessed value of the system if:

- (1) the system was certified by the department of environmental management for the 1993 assessment year or a prior assessment year; and
- (2) the owner filed a timely application for the deduction for the 1993 assessment year.

For purposes of this section, a system includes tangible property that replaced tangible property in the system after the certification by the department of environmental management.

(c) The owner of a resource recovery system that is directly used to dispose of hazardous waste is not entitled to the deduction provided by this section for a particular assessment year if during that assessment year the owner:

- (1) is convicted of any violation under IC 13-7-13-3 (repealed), IC 13-7-13-4 (repealed), or a criminal statute under IC 13; or
- (2) is subject to an order or a consent decree with respect to property located in Indiana based upon a violation of a federal or state rule, regulation, or statute governing the treatment, storage, or disposal of hazardous wastes that had a major or moderate potential for harm.

(d) The certification of a resource recovery system by the department of environmental management for the 1993 assessment year or a prior assessment year is valid through the 1997 assessment year so long as the property is used as a resource recovery system. If the property is no longer used for the purpose for which the property was used when the property was certified, the owner of the property shall notify the county auditor. However, the deduction from the assessed value of the system is:

- (1) ninety-five percent (95%) for the 1994 assessment year;
- (2) ninety percent (90%) for the 1995 assessment year;

(3) seventy-five percent (75%) for the 1996 assessment year; and

(4) sixty percent (60%) for the 1997 assessment year.

Notwithstanding this section as it existed before 1995, for the 1994 assessment year, the portion of any tangible property comprising a resource recovery system that was assessed and first deducted for the 1994 assessment year may not be deducted for property taxes first due and payable in 1995 or later.

(e) In order to qualify for a deduction under this section, the person who desires to claim the deduction must file an application with the county auditor after February 28 and before May 16 of the current assessment year. An application must be filed in each year for which the person desires to obtain the deduction. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. If the application is not filed before the applicable deadline under this subsection, the deduction is waived. The application must be filed on a form prescribed by the department of local government finance. The application for a resource recovery system deduction must include:

- (1) a certification by the department of environmental management for the 1993 assessment year or a prior assessment year as described in subsection (d); or
- (2) the certification by the department of environmental management for the 1993 assessment year as described in subsection (g).

Beginning with the 1995 assessment year a person must also file an itemized list of all property on which a deduction is claimed. The list must include the date of purchase of the property and the cost to acquire the property.

(f) Before July 1, 1995, the department of environmental management shall transfer all the applications, records, or other material the department has with respect to resource recovery system deductions under this section for the 1993 and 1994 assessment years. The **township county** assessor shall verify each deduction application filed under this section and the county auditor shall determine the deduction. The county auditor shall send to the department of local government finance a copy of each deduction application. The county auditor shall notify the county property tax assessment board of appeals of all deductions allowed under this section. A denial of a deduction claimed under this subsection may be appealed as provided in IC 6-1.1-15. The appeal is limited to a review of a determination made by the **township county** assessor or the county auditor.

(g) Notwithstanding subsection (d), the certification for the 1993 assessment year of a resource recovery system in regard to which a political subdivision is liable for the payment of the property taxes remains valid at the ninety-five percent (95%) deduction level allowed before 1994 as long as the political subdivision remains liable for the payment of the property taxes on the system.

SECTION 113. IC 6-1.1-12-30, AS AMENDED BY P.L.183-2007, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 30. Except as provided in section 36 of this chapter, a person who desires to claim the deduction provided by section 29 of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the



county in which the real property or mobile home is subject to assessment. With respect to real property, the person must file the statement during the twelve (12) months before June 11 of each year for which the person desires to obtain the deduction. With respect to a mobile home which is not assessed as real property, the person must file the statement during the twelve (12) months before March 31 of each year for which the person desires to obtain the deduction. On verification of the statement by the **county** assessor of the ~~township~~ **county** in which the real property or mobile home is subject to assessment, the county auditor shall allow the deduction.

SECTION 114. IC 6-1.1-12-35.5, AS AMENDED BY P.L.183-2007, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 35.5. (a) Except as provided in section 36 of this chapter, a person who desires to claim the deduction provided by section 31, 33, 34, or 34.5 of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, and proof of certification under subsection (b) or (f) with the auditor of the county in which the property for which the deduction is claimed is subject to assessment. Except as provided in subsection (e), with respect to property that is not assessed under IC 6-1.1-7, the person must file the statement during the twelve (12) months before June 11 of the assessment year. The person must file the statement in each year for which the person desires to obtain the deduction. With respect to a property which is assessed under IC 6-1.1-7, the person must file the statement during the twelve (12) months before March 31 of each year for which the person desires to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. On verification of the statement by the **county** assessor of the ~~township~~ **county** in which the property for which the deduction is claimed is subject to assessment, the county auditor shall allow the deduction.

(b) This subsection does not apply to an application for a deduction under section 34.5 of this chapter. The department of environmental management, upon application by a property owner, shall determine whether a system or device qualifies for a deduction provided by section 31, 33, or 34 of this chapter. If the department determines that a system or device qualifies for a deduction, it shall certify the system or device and provide proof of the certification to the property owner. The department shall prescribe the form and manner of the certification process required by this subsection.

(c) This subsection does not apply to an application for a deduction under section 34.5 of this chapter. If the department of environmental management receives an application for certification before May 11 of the assessment year, the department shall determine whether the system or device qualifies for a deduction before June 11 of the assessment year. If the department fails to make a determination under this subsection before June 11 of the assessment year, the system or device is considered certified.

(d) A denial of a deduction claimed under section 31, 33, 34, or 34.5 of this chapter may be appealed as provided in IC 6-1.1-15. The appeal is limited to a review of a determination made by the ~~township~~ **county** assessor or the county property tax assessment board of appeals, or department of local

government finance.

(e) A person who timely files a personal property return under IC 6-1.1-3-7(a) for an assessment year and who desires to claim the deduction provided in section 31 of this chapter for property that is not assessed under IC 6-1.1-7 must file the statement described in subsection (a) during the twelve (12) months before June 11 of that year. A person who obtains a filing extension under IC 6-1.1-3-7(b) for an assessment year must file the application between March 1 and the extended due date for that year.

(f) This subsection applies only to an application for a deduction under section 34.5 of this chapter. The center for coal technology research established by IC 21-47-4-1, upon receiving an application from the owner of a building, shall determine whether the building qualifies for a deduction under section 34.5 of this chapter. If the center determines that a building qualifies for a deduction, the center shall certify the building and provide proof of the certification to the owner of the building. The center shall prescribe the form and procedure for certification of buildings under this subsection. If the center receives an application for certification of a building under section 34.5 of this chapter before May 11 of an assessment year:

- (1) the center shall determine whether the building qualifies for a deduction before June 11 of the assessment year; and
- (2) if the center fails to make a determination before June 11 of the assessment year, the building is considered certified."

Delete pages 95 through 100.

Page 101, delete lines 1 through 2.

Page 103, delete lines 4 through 42, begin a new paragraph and insert:

"SECTION 117. IC 6-1.1-12-38, AS AMENDED BY P.L.154-2006, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 38. (a) A person is entitled to a deduction from the assessed value of the person's property in an amount equal to the difference between:

- (1) the assessed value of the person's property, including the assessed value of the improvements made to comply with the fertilizer storage rules adopted by the state chemist under IC 15-3-3-12 and the pesticide storage rules adopted by the state chemist under IC 15-3-3.5-11; minus
- (2) the assessed value of the person's property, excluding the assessed value of the improvements made to comply with the fertilizer storage rules adopted by the state chemist under IC 15-3-3-12 and the pesticide storage rules adopted by the state chemist under IC 15-3-3.5-11.

(b) To obtain the deduction under this section, a person must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is subject to assessment. In addition to the certified statement, the person must file a certification by the state chemist listing the improvements that were made to comply with the fertilizer storage rules adopted under IC 15-3-3-12 and the pesticide storage rules adopted by the state chemist under IC 15-3-3.5-11. The statement and certification must be filed before June 11 of the year preceding the year the deduction will first be applied. Upon the verification of the statement and certification by the **county** assessor of the

~~township~~ county in which the property is subject to assessment, the county auditor shall allow the deduction.

SECTION 118. IC 6-1.1-12-42 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 42. (a) As used in this section, "assessed value of inventory" means the assessed value determined after the application of any deductions or adjustments that apply by statute or rule to the assessment of inventory, other than the deduction established in subsection (c).

(b) As used in this section, "inventory" has the meaning set forth in IC 6-1.1-3-11 (**repealed**).

(c) A taxpayer is entitled to a deduction from assessed value equal to one hundred percent (100%) of the taxpayer's assessed value of inventory beginning with assessments made in 2006 for property taxes first due and payable in 2007.

(d) A taxpayer is not required to file an application to qualify for the deduction established by this section.

(e) The department of local government finance shall incorporate the deduction established by this section in the personal property return form to be used each year for filing under IC 6-1.1-3-7 or IC 6-1.1-3-7.5 to permit the taxpayer to enter the deduction on the form. If a taxpayer fails to enter the deduction on the form, the ~~township~~ county assessor shall:

- (1) determine the amount of the deduction; and
- (2) within the period established in IC 6-1.1-16-1, issue a notice of assessment to the taxpayer that reflects the application of the deduction to the inventory assessment.

(f) The deduction established by this section must be applied to any inventory assessment made by:

- (1) an assessing official;
- (2) a county property tax assessment board of appeals; or
- (3) the department of local government finance."

Delete pages 104 through 105.

Page 106, delete lines 1 through 5.

Page 119, delete lines 39 through 42, begin a new paragraph and insert:

"SECTION 124. IC 6-1.1-12.1-5, AS AMENDED BY P.L.193-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. (a) A property owner who desires to obtain the deduction provided by section 3 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is located. Except as otherwise provided in subsection (b) or (e), the deduction application must be filed before May 10 of the year in which the addition to assessed valuation is made.

(b) If notice of the addition to assessed valuation or new assessment for any year is not given to the property owner before April 10 of that year, the deduction application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the ~~township~~ county assessor.

(c) The deduction application required by this section must contain the following information:

- (1) The name of the property owner.
- (2) A description of the property for which a deduction is claimed in sufficient detail to afford identification.
- (3) The assessed value of the improvements before rehabilitation.

(4) The increase in the assessed value of improvements resulting from the rehabilitation.

(5) The assessed value of the new structure in the case of redevelopment.

(6) The amount of the deduction claimed for the first year of the deduction.

(7) If the deduction application is for a deduction in a residentially distressed area, the assessed value of the improvement or new structure for which the deduction is claimed.

(d) A deduction application filed under subsection (a) or (b) is applicable for the year in which the addition to assessed value or assessment of a new structure is made and in the following years the deduction is allowed without any additional deduction application being filed. However, property owners who had an area designated an urban development area pursuant to a deduction application filed prior to January 1, 1979, are only entitled to a deduction for a five (5) year period. In addition, property owners who are entitled to a deduction under this chapter pursuant to a deduction application filed after December 31, 1978, and before January 1, 1986, are entitled to a deduction for a ten (10) year period.

(e) A property owner who desires to obtain the deduction provided by section 3 of this chapter but who has failed to file a deduction application within the dates prescribed in subsection (a) or (b) may file a deduction application between March 1 and May 10 of a subsequent year which shall be applicable for the year filed and the subsequent years without any additional deduction application being filed for the amounts of the deduction which would be applicable to such years pursuant to section 4 of this chapter if such a deduction application had been filed in accordance with subsection (a) or (b).

(f) Subject to subsection (i), the county auditor shall act as follows:

(1) If a determination about the number of years the deduction is allowed has been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall make the appropriate deduction.

(2) If a determination about the number of years the deduction is allowed has not been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall send a copy of the deduction application to the designating body. Upon receipt of the resolution stating the number of years the deduction will be allowed, the county auditor shall make the appropriate deduction.

(3) If the deduction application is for rehabilitation or redevelopment in a residentially distressed area, the county auditor shall make the appropriate deduction.

(g) The amount and period of the deduction provided for property by section 3 of this chapter are not affected by a change in the ownership of the property if the new owner of the property:

- (1) continues to use the property in compliance with any standards established under section 2(g) of this chapter; and
- (2) files an application in the manner provided by subsection (e).

(h) The ~~township~~ **county** assessor shall include a notice of the deadlines for filing a deduction application under subsections (a) and (b) with each notice to a property owner of an addition to assessed value or of a new assessment.

(i) Before the county auditor acts under subsection (f), the county auditor may request that the ~~township~~ **county** assessor of the ~~township~~ **county** in which the property is located review the deduction application.

(j) A property owner may appeal a determination of the county auditor under subsection (f) to deny or alter the amount of the deduction by **requesting filing a notice** in writing a **preliminary conference** with the county auditor not more than forty-five (45) days after the county auditor gives the person notice of the determination. An appeal initiated under this subsection is processed and determined in the same manner that an appeal is processed and determined under IC 6-1.1-15.

SECTION 125. IC 6-1.1-12.1-5.3, AS ADDED BY P.L.154-2006, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5.3. (a) A property owner that desires to obtain the deduction provided by section 4.8 of this chapter must file a deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the eligible vacant building is located. Except as otherwise provided in this section, the deduction application must be filed before May 10 of the year in which the property owner or a tenant of the property owner initially occupies the eligible vacant building.

(b) If notice of the assessed valuation or new assessment for a year is not given to the property owner before April 10 of that year, the deduction application required by this section may be filed not later than thirty (30) days after the date the notice is mailed to the property owner at the address shown on the records of the ~~township~~ **county** assessor.

(c) The deduction application required by this section must contain the following information:

- (1) The name of the property owner and, if applicable, the property owner's tenant.
- (2) A description of the property for which a deduction is claimed.
- (3) The amount of the deduction claimed for the first year of the deduction.
- (4) Any other information required by the department of local government finance or the designating body.

(d) A deduction application filed under this section applies to the year in which the property owner or a tenant of the property owner occupies the eligible vacant building and in the following year if the deduction is allowed for a two (2) year period, without an additional deduction application being filed.

(e) A property owner that desires to obtain the deduction provided by section 4.8 of this chapter but that did not file a deduction application within the dates prescribed in subsection (a) or (b) may file a deduction application between March 1 and May 10 of a subsequent year. A deduction application filed under this subsection applies to the year in which the deduction application is filed and the following year if the deduction is allowed for a two (2) year period, without an additional deduction application being filed. The amount of the deduction under this subsection is the amount that would have been

applicable to the year under section 4.8 of this chapter if the deduction application had been filed in accordance with subsection (a) or (b).

(f) Subject to subsection (i), the county auditor shall do the following:

(1) If a determination concerning the number of years the deduction is allowed has been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall make the appropriate deduction.

(2) If a determination concerning the number of years the deduction is allowed has not been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall send a copy of the deduction application to the designating body. Upon receipt of the resolution stating the number of years the deduction will be allowed, the county auditor shall make the appropriate deduction.

(g) The amount and period of the deduction provided by section 4.8 of this chapter are not affected by a change in the ownership of the eligible vacant building or a change in the property owner's tenant, if the new property owner or the new tenant:

- (1) continues to occupy the eligible vacant building in compliance with any standards established under section 2(g) of this chapter; and
- (2) files an application in the manner provided by subsection (e).

(h) Before the county auditor acts under subsection (f), the county auditor may request that the ~~township~~ **county** assessor of the ~~township~~ **county** in which the eligible vacant building is located review the deduction application.

(i) A property owner may appeal a determination of the county auditor under subsection (f) by **requesting filing a notice** in writing a **preliminary conference** with the county auditor not more than forty-five (45) days after the county auditor gives the property owner notice of the determination. An appeal under this subsection shall be processed and determined in the same manner that an appeal is processed and determined under IC 6-1.1-15.

(j) In addition to the requirements of subsection (c), a property owner that files a deduction application under this section must provide the county auditor and the designating body with information showing the extent to which there has been compliance with the statement of benefits approved under section 4.8 of this chapter. This information must be included in the deduction application and must also be updated each year in which the deduction is applicable:

- (1) at the same time that the property owner or the property owner's tenant files a personal property tax return for property located at the eligible vacant building for which the deduction was granted; or
- (2) if subdivision (1) does not apply, before May 15 of each year.

(k) The following information is a public record if filed under this section:

- (1) The name and address of the property owner.
- (2) The location and description of the eligible vacant building for which the deduction was granted.
- (3) Any information concerning the number of employees at the eligible vacant building for which the deduction was

granted, including estimated totals that were provided as part of the statement of benefits.

(4) Any information concerning the total of the salaries paid to the employees described in subdivision (3), including estimated totals that are provided as part of the statement of benefits.

(5) Any information concerning the assessed value of the eligible vacant building, including estimates that are provided as part of the statement of benefits.

(l) Information concerning the specific salaries paid to individual employees by the property owner or tenant is confidential.

SECTION 126. IC 6-1.1-12.1-5.4, AS AMENDED BY P.L.193-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5.4. (a) A person that desires to obtain the deduction provided by section 4.5 of this chapter must file a certified deduction schedule with the person's personal property return on a form prescribed by the department of local government finance with the ~~township~~ **county** assessor of the ~~township~~ **county** in which the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment is located. Except as provided in subsection (e), the deduction is applied in the amount claimed in a certified schedule that a person files with:

(1) a timely personal property return under IC 6-1.1-3-7(a) or IC 6-1.1-3-7(b); or

(2) a timely amended personal property return under IC 6-1.1-3-7.5.

The ~~township~~ **county** assessor shall forward to the county auditor ~~and the county assessor~~ a copy of each certified deduction schedule filed under this subsection.

(b) The deduction schedule required by this section must contain the following information:

(1) The name of the owner of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(2) A description of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(3) The amount of the deduction claimed for the first year of the deduction.

(c) This subsection applies to a deduction schedule with respect to new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment for which a statement of benefits was initially approved after April 30, 1991. If a determination about the number of years the deduction is allowed has not been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall send a copy of the deduction schedule to the designating body, and the designating body shall adopt a resolution under section ~~4.5(g)(2)~~ **4.5(f)(2)** of this chapter.

(d) A deduction schedule must be filed under this section in the year in which the new manufacturing equipment, new research and development equipment, new logistical distribution

equipment, or new information technology equipment is installed and in each of the immediately succeeding years the deduction is allowed.

(e) The ~~township assessor, or the~~ county assessor may:

(1) review the deduction schedule; and

(2) before the March 1 that next succeeds the assessment date for which the deduction is claimed, deny or alter the amount of the deduction.

If the ~~township assessor or the~~ county assessor does not deny the deduction, the county auditor shall apply the deduction in the amount claimed in the deduction schedule or in the amount as altered by the ~~township assessor or the~~ county assessor. A ~~township assessor or a~~ county assessor who denies a deduction under this subsection or alters the amount of the deduction shall notify the person that claimed the deduction and the county auditor of the assessor's action. The county auditor shall notify the designating body and the county property tax assessment board of appeals of all deductions applied under this section.

(f) If the ownership of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment changes, the deduction provided under section 4.5 of this chapter continues to apply to that equipment if the new owner:

(1) continues to use the equipment in compliance with any standards established under section 2(g) of this chapter; and

(2) files the deduction schedules required by this section.

(g) The amount of the deduction is the percentage under section 4.5 of this chapter that would have applied if the ownership of the property had not changed multiplied by the assessed value of the equipment for the year the deduction is claimed by the new owner.

(h) A person may appeal a determination of the ~~township assessor or the~~ county assessor under subsection (e) to deny or alter the amount of the deduction by ~~requesting filing a notice in writing a preliminary conference with the township assessor or the~~ county assessor not more than forty-five (45) days after the ~~township assessor or the~~ county assessor gives the person notice of the determination. Except as provided in subsection (i), an appeal initiated under this subsection is processed and determined in the same manner that an appeal is processed and determined under IC 6-1.1-15.

(i) The county assessor is recused from any action the county property tax assessment board of appeals takes with respect to an appeal under subsection (h) of a determination by the county assessor.

SECTION 127. IC 6-1.1-12.1-5.8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5.8. In lieu of providing the statement of benefits required by section 3 or 4.5 of this chapter and the additional information required by section 5.1 or 5.6 of this chapter, the designating body may, by resolution, waive the statement of benefits if the designating body finds that the purposes of this chapter are served by allowing the deduction and the property owner has, during the thirty-six (36) months preceding the first assessment date to which the waiver would apply, installed new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology

equipment or developed or rehabilitated property at a cost of at least ten million dollars (\$10,000,000) as determined by the county assessor of the township county in which the property is located."

Delete pages 120 through 125.

Page 126, delete lines 1 through 20.

Page 128, delete lines 22 through 42, begin a new paragraph and insert:

"SECTION 129. IC 6-1.1-12.4-1, AS ADDED BY P.L.193-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. For purposes of this chapter, "official" means:

- (1) a county auditor; or
- (2) a county assessor. or
- ~~(3) a township assessor~~

SECTION 130. IC 6-1.1-12.4-2, AS AMENDED BY P.L.219-2007, SECTION 34, AND AS AMENDED BY P.L.234-2007, SECTION 38, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. (a) For purposes of this section, an increase in the assessed value of real property is determined in the same manner that an increase in the assessed value of real property is determined for purposes of IC 6-1.1-12.1.

(b) This subsection applies only to a development, redevelopment, or rehabilitation that is first assessed after March 1, 2005, and before March 2, ~~2009~~ 2007. Except as provided in subsection (h) and sections 4, 5, and 8 of this chapter, an owner of real property that:

- (1) develops, redevelops, or rehabilitates the real property; and
- (2) creates or retains employment from the development, redevelopment, or rehabilitation;

is entitled to a deduction from the assessed value of the real property.

(c) *Subject to section 14 of this chapter*, the deduction under this section is first available in the year in which the increase in assessed value resulting from the development, redevelopment, or rehabilitation occurs and continues for the following two (2) years. The amount of the deduction that a property owner may receive with respect to real property located in a county for a particular year equals the lesser of:

- (1) two million dollars (\$2,000,000); or
  - (2) the product of:
    - (A) the increase in assessed value resulting from the development, rehabilitation, or redevelopment; multiplied by
    - (B) the percentage from the following table:
- | YEAR OF DEDUCTION | PERCENTAGE |
|-------------------|------------|
| 1st               | 75%        |
| 2nd               | 50%        |
| 3rd               | 25%        |

(d) A property owner that qualifies for the deduction under this section must file a notice to claim the deduction in the manner prescribed by the department of local government finance under rules adopted by the department of local government finance under IC 4-22-2 to implement this chapter. The township county assessor shall:

- (1) inform the county auditor of the real property eligible for the deduction as contained in the notice filed by the taxpayer under this subsection; and
- (2) inform the county auditor of the deduction amount.

(e) The county auditor shall:

- (1) make the deductions; and
- (2) notify the county property tax assessment board of appeals of all deductions approved;

under this section.

(f) The amount of the deduction determined under subsection (c)(2) is adjusted to reflect the percentage increase or decrease in assessed valuation that results from:

- (1) a general reassessment of real property under IC 6-1.1-4-4; or
- (2) an annual adjustment under IC 6-1.1-4-4.5.

(g) If an appeal of an assessment is approved that results in a reduction of the assessed value of the real property, the amount of the deduction under this section is adjusted to reflect the percentage decrease that results from the appeal.

(h) The deduction under this section does not apply to a facility listed in IC 6-1.1-12.1-3(e).

SECTION 131. IC 6-1.1-12.4-3, AS AMENDED BY P.L.219-2007, SECTION 35, AND AS AMENDED BY P.L.234-2007, SECTION 39, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) For purposes of this section, an increase in the assessed value of personal property is determined in the same manner that an increase in the assessed value of new manufacturing equipment is determined for purposes of IC 6-1.1-12.1.

(b) This subsection applies only to personal property that the owner purchases after March 1, 2005, and before March 2, ~~2009~~ 2007. Except as provided in sections 4, 5, and 8 of this chapter, an owner that purchases personal property ~~other than inventory~~ (as defined in ~~50 IAC 4-2-5-1~~, as in effect on January 1, 2005) that:

- (1) was never before used by its owner for any purpose in Indiana; and
- (2) creates or retains employment;

is entitled to a deduction from the assessed value of the personal property.

(c) *Subject to section 14 of this chapter*, the deduction under this section is first available in the year in which the increase in assessed value resulting from the purchase of the personal property occurs and continues for the following two (2) years. The amount of the deduction that a property owner may receive with respect to personal property located in a county for a particular year equals the lesser of:

- (1) two million dollars (\$2,000,000); or
- (2) the product of:
  - (A) the increase in assessed value resulting from the purchase of the personal property; multiplied by
  - (B) the percentage from the following table:

YEAR OF DEDUCTION	PERCENTAGE
1st	75%
2nd	50%
3rd	25%

(d) If an appeal of an assessment is approved that results in a reduction of the assessed value of the personal property, the amount of the deduction is adjusted to reflect the percentage decrease that results from the appeal.

(e) A property owner must claim the deduction under this section on the owner's annual personal property tax return. The ~~township~~ **county** assessor shall:

- (1) identify the personal property eligible for the deduction to the county auditor; and
- (2) inform the county auditor of the deduction amount.

(f) The county auditor shall:

- (1) make the deductions; and
- (2) notify the county property tax assessment board of appeals of all deductions approved;

under this section.

(g) The deduction under this section does not apply to personal property at a facility listed in IC 6-1.1-12.1-3(e).

SECTION 132. IC 6-1.1-12.4-9, AS ADDED BY P.L.193-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. If an official terminates a deduction under section 8 of this chapter:

(1) the official shall immediately mail a certified copy of the determination to:

- (A) the property owner; and
- (B) if the determination is made by the county assessor, ~~or the township assessor~~ the county auditor;

(2) the county auditor shall:

- (A) remove the deduction from the tax duplicate; and
- (B) notify the county treasurer of the termination of the deduction; and

(3) if the official's determination to terminate the deduction occurs after the county treasurer has mailed the statement required by IC 6-1.1-22-8, the county treasurer shall immediately mail the property owner a revised statement that reflects the termination of the deduction.

SECTION 133. IC 6-1.1-13-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. When the county property tax assessment board of appeals convenes, the county auditor shall submit to the board the assessment list of the county for the current year as ~~returned by the township assessors~~ ~~and as amended~~ and returned by the county assessor. The county assessor shall make recommendations to the board for corrections and changes in the returns and assessments. The board shall consider and act upon all the recommendations.

SECTION 134. IC 6-1.1-14-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. The county assessor ~~a township assessor~~ or ten (10) or more taxpayers who are affected by an equalization order issued under section 5 of this chapter may file a petition for review of the order with the county ~~assessor auditor~~ of the county to which the equalization order is issued. The petition must be filed within ten (10) days after notice of the order is given under section 9 of this chapter. The petition shall set forth, in the form and detail prescribed by the department of local government finance, the objections to the equalization order.

SECTION 135. IC 6-1.1-14-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. (a) If a petition for review of an equalization order is filed with a county

auditor under section 7 of this chapter, the county auditor shall immediately mail a certified copy of the petition and any information relevant to the petition to the department of local government finance. Within a reasonable period of time, the department of local government finance shall fix a date for a hearing on the petition. The hearing shall be held in the county to which the equalization order has been directed. At least three (3) days before the date fixed for the hearing, the department of local government finance shall give notice of the hearing by mail to the ~~township and county assessors~~ ~~assessor~~ whose ~~assessments are~~ ~~assessment is~~ affected by the order and to the first ten (10) taxpayers whose names appear on the petition for review at the addresses listed by those taxpayers on the petition. In addition, the department of local government finance shall give the notice, if any, required under section 9(a) of this chapter.

(b) After the hearing required by subsection (a), the department of local government finance may affirm, modify, or set aside its equalization order. The department shall certify its action with respect to the order to the county auditor. The county auditor shall immediately make any changes in the assessed values required by the action of the department of local government finance.

(c) A person whose name appears on the petition for review may petition for judicial review of the final determination of the department of local government finance under subsection (b). The petition must be filed in the tax court not more than forty-five (45) days after the department certifies its action under subsection (b)."

Delete pages 129 through 131.

Page 132, delete lines 1 through 31.

Page 134, line 10, strike "township" and insert "**county**".

Page 134, line 10, delete "," and insert ".".

Page 134, line 11, delete "or the county".

Page 134, line 12, delete "assessor if the township is not served by a township assessor."

Page 135, line 20, after "the" insert "**county**".

Page 137, line 5, after "The" insert "**county**".

Page 137, line 21, after "the" insert "**county**".

Page 137, delete lines 31 through 42, begin a new paragraph and insert:

"SECTION 134. IC 6-1.1-15-9, AS AMENDED BY P.L.219-2007, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. (a) If the assessment or exemption of tangible property is corrected by the department of local government finance or the county board under section 8 of this chapter, the owner of the property has a right to appeal the final determination of the corrected assessment or exemption to the Indiana board. The county assessor also has a right to appeal the final determination of the reassessment or exemption by the department of local government finance or the county board, but only upon request by the county assessor ~~the elected township assessor~~ or an affected taxing unit. If the appeal is taken at the request of an affected taxing unit, the taxing unit shall pay the costs of the appeal.

(b) An appeal under this section must be initiated in the manner prescribed in section 3 of this chapter or IC 6-1.5-5."

Page 138, delete lines 1 through 3.

Page 138, delete lines 39 through 42, begin a new paragraph and insert:

"SECTION 140. IC 6-1.1-15-12, AS AMENDED BY P.L.219-2007, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12. (a) Subject to the limitations contained in subsections (c) and (d), a county auditor shall correct errors which are discovered in the tax duplicate for any one (1) or more of the following reasons:

- (1) The description of the real property was in error.
- (2) The assessment was against the wrong person.
- (3) Taxes on the same property were charged more than one (1) time in the same year.
- (4) There was a mathematical error in computing the taxes or penalties on the taxes.
- (5) There was an error in carrying delinquent taxes forward from one (1) tax duplicate to another.
- (6) The taxes, as a matter of law, were illegal.
- (7) There was a mathematical error in computing an assessment.
- (8) Through an error of omission by any state or county officer, the taxpayer was not given credit for an exemption or deduction permitted by law.

(b) The county auditor shall correct an error described under subsection (a)(1), (a)(2), (a)(3), (a)(4), or (a)(5) when the county auditor finds that the error exists.

(c) If the tax is based on an assessment made or determined by the department of local government finance, the county auditor shall not correct an error described under subsection (a)(6), (a)(7), or (a)(8) until after the correction is either approved by the department of local government finance or ordered by the tax court.

(d) If the tax is not based on an assessment made or determined by the department of local government finance, the county auditor shall correct an error described under subsection (a)(6), (a)(7), or (a)(8) only if the correction is first approved by ~~at least two (2)~~ **both** of the following officials:

- ~~(1) The township assessor;~~
- ~~(2) (1) The county auditor.~~
- ~~(3) (2) The county assessor.~~

If ~~two (2)~~ of these officials do not approve such a correction, the county auditor shall refer the matter to the county board for determination. The county board shall provide a copy of the determination to the taxpayer and to the county auditor.

(e) A taxpayer may appeal a determination of the county board to the Indiana board for a final administrative determination. An appeal under this section shall be conducted in the same manner as appeals under sections 4 through 8 of this chapter. The Indiana board shall send the final administrative determination to the taxpayer, the county auditor, **and** the county assessor. ~~and the township assessor~~

(f) If a correction or change is made in the tax duplicate after it is delivered to the county treasurer, the county auditor shall transmit a certificate of correction to the county treasurer. The county treasurer shall keep the certificate as the voucher for settlement with the county auditor.

(g) A taxpayer that files a personal property tax return under IC 6-1.1-3 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's personal

property tax return. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's personal property tax return, the taxpayer must instead file an amended personal property tax return under IC 6-1.1-3-7.5.

(h) A taxpayer that files a statement under IC 6-1.1-8-19 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's statement. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's statement, the taxpayer must instead initiate an objection under IC 6-1.1-8-28 or an appeal under IC 6-1.1-8-30.

(i) A taxpayer that files a statement under IC 6-1.1-8-23 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's statement. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's statement, the taxpayer must instead file an amended statement not more than six (6) months after the due date of the statement."

Delete page 139.

Page 140, delete lines 1 through 23.

Page 140, delete lines 33 through 42, begin a new paragraph and insert:

"SECTION 142. IC 6-1.1-15-16, AS AMENDED BY P.L.219-2007, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 16. Notwithstanding any provision in the 2002 Real Property Assessment Manual and Real Property Assessment Guidelines for 2002-Version A, incorporated by reference in 50 IAC 2.3-1-2, a county board or the Indiana board shall consider all evidence relevant to the assessment of real property regardless of whether the evidence was submitted to the ~~township county~~ assessor before the assessment of the property.

SECTION 142. IC 6-1.1-16-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. (a) Except as provided in section 2 of this chapter, an assessing official ~~county assessor~~, or county property tax assessment board of appeals may not change the assessed value claimed by a taxpayer on a personal property return unless the assessing official ~~county assessor~~, or county property tax assessment board of appeals takes the action and gives the notice required by IC 6-1.1-3-20 within the following time periods:

~~(1) A township or county assessing official must make a change in the assessed value and give the notice of the change on or before the latter of:~~

~~(A) September 15 of the year for which the assessment is made; or~~

~~(B) four (4) months from the date the personal property return is filed if the return is filed after May 15 of the year for which the assessment is made.~~

~~(2) A county assessor (1) An assessing official or county property tax assessment board of appeals must make a change in the assessed value, including the final determination by the board of an assessment changed by a township or county an assessing official, or county property tax assessment board of appeals; and give the notice of the change on or before the latter later of:~~

~~(A) October 30 of the year for which the assessment is made; or~~

(B) five (5) months from the date the personal property return is filed if the return is filed after May 15 of the year for which the assessment is made.

~~(3)~~ (2) The department of local government finance must make a preliminary change in the assessed value and give the notice of the change on or before the ~~latter~~ **later** of:

(A) October 1 of the year immediately following the year for which the assessment is made; or

(B) sixteen (16) months from the date the personal property return is filed if the return is filed after May 15 of the year for which the assessment is made.

(b) Except as provided in section 2 of this chapter, if an assessing official ~~a county assessor~~, or a county property tax assessment board of appeals fails to change an assessment and give notice of the change within the time prescribed by this section, the assessed value claimed by the taxpayer on the personal property return is final.

(c) This section does not limit the authority of a county auditor to correct errors in a tax duplicate under IC 6-1.1-15-12.

(d) This section does not apply if the taxpayer:

(1) fails to file a personal property return which substantially complies with ~~the provisions of~~ this article and the regulations of the department of local government finance; or

(2) files a fraudulent personal property return with the intent to evade the payment of property taxes.

(e) A taxpayer may appeal a preliminary determination of the department of local government finance under subsection ~~(a)(3)~~ **(a)(2)** to the Indiana board. An appeal under this subdivision shall be conducted in the same manner as an appeal under IC 6-1.1-15-4 through IC 6-1.1-15-8. A preliminary determination that is not appealed under this subsection is a final unappealable order of the department of local government finance.

SECTION 143. IC 6-1.1-16-2, AS AMENDED BY P.L.219-2007, SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. (a) If a county property tax assessment board of appeals fails to change an assessed value claimed by a taxpayer on a personal property return and give notice of the change within the time prescribed in section 1(a)(2) of this chapter, the ~~township assessor, or the~~ county assessor may file a petition for review of the assessment by the Indiana board. The ~~township assessor or the~~ county assessor must file the petition for review in the manner provided in IC 6-1.1-15-3(d). The ~~time~~ period for filing the petition begins to run on the last day that the county board is permitted to act on the assessment under section 1(a)(2) of this chapter as though the board acted and gave notice of its action on that day.

(b) Notwithstanding section 1(a)(3) of this chapter, the department of local government finance shall reassess tangible property when an appealed assessment of the property is remanded to the board under IC 6-1.1-15-8.

SECTION 144. IC 6-1.1-16-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) If a county property tax assessment board of appeals is unable to take action on an assessment within the time period prescribed in ~~section 1(a)(2)~~ **section 1(a)(1)** of this chapter because the board is no longer in session, the board shall file with the department of local

government finance a written petition requesting permission to conduct a special session for the purpose of reviewing the assessment within the required time period. If the department of local government finance approves the petition, it shall specify:

(1) the number of session days granted to the county property tax assessment board of appeals; and

(2) the termination date of the special session.

(b) The county auditor shall pay the expenses and per diem allowances resulting from the special session. The county auditor shall draw warrants for these items on county funds not otherwise appropriated, without further appropriations being required for the disbursements."

Delete page 141.

Page 142, delete lines 1 through 29.

Page 222, delete lines 10 through 42, begin a new paragraph and insert:

"SECTION 218. IC 6-1.1-21-4, AS AMENDED BY P.L.234-2007, SECTION 297, AND AS AMENDED BY P.L.219-2007, SECTION 62, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. (a) Each year the department shall allocate from the property tax replacement fund an amount equal to the sum of:

(1) each county's total eligible property tax replacement amount for that year; plus

(2) the total amount of homestead tax credits that are provided under IC 6-1.1-20.9 and allowed by each county for that year; plus

(3) an amount for each county that has one (1) or more taxing districts that contain all or part of an economic development district that meets the requirements of section 5.5 of this chapter. This amount is the sum of the amounts determined under the following STEPS for all taxing districts in the county that contain all or part of an economic development district:

STEP ONE: Determine that part of the sum of the amounts under section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the subdivision (1) amount that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.

(b) Except as provided in subsection (e), between March 1 and August 31 of each year, the department shall distribute to each county treasurer from the property tax replacement fund one-half (1/2) of the estimated distribution for that year for the county. Between September 1 and December 15 of that year, the department shall distribute to each county treasurer from the property tax replacement fund the remaining one-half (1/2) of each estimated distribution for that year. The amount of the distribution for each of these periods shall be according to a schedule determined by the property tax replacement fund board under section 10 of this chapter. The estimated distribution for each county may be adjusted from time to time by the department to reflect any changes in the total county tax levy upon which the



estimated distribution is based.

(c) On or before December 31 of each year or as soon thereafter as possible, the department shall make a final determination of the amount which should be distributed from the property tax replacement fund to each county for that calendar year. This determination shall be known as the final determination of distribution. The department shall distribute to the county treasurer or, *except as provided in section 9 of this chapter*, receive back from the county treasurer any deficit or excess, as the case may be, between the sum of the distributions made for that calendar year based on the estimated distribution and the final determination of distribution. The final determination of distribution shall be based on the auditor's abstract filed with the auditor of state, adjusted for postabstract adjustments included in the December settlement sheet for the year, and such additional information as the department may require.

(d) All distributions provided for in this section shall be made on warrants issued by the auditor of state drawn on the treasurer of state. If the amounts allocated by the department from the property tax replacement fund exceed in the aggregate the balance of money in the fund, then the amount of the deficiency shall be transferred from the state general fund to the property tax replacement fund, and the auditor of state shall issue a warrant to the treasurer of state ordering the payment of that amount. However, any amount transferred under this section from the general fund to the property tax replacement fund shall, as soon as funds are available in the property tax replacement fund, be retransferred from the property tax replacement fund to the state general fund, and the auditor of state shall issue a warrant to the treasurer of state ordering the replacement of that amount.

(e) Except as provided in subsection (g) and subject to subsection (h), the department shall not distribute under subsection (b) and section 10 of this chapter a percentage, determined by the department, of the money that would otherwise be distributed to the county under subsection (b) and section 10 of this chapter if:

- (1) by the date the distribution is scheduled to be made, the county auditor has not sent a certified statement required to be sent by that date under IC 6-1.1-17-1 to the department of local government finance;
- (2) by the deadline under IC 36-2-9-20, the county auditor has not transmitted data as required under that section;
- (3) the county assessor has not forwarded to the department of local government finance the duplicate copies of all approved exemption applications required to be forwarded by that date under IC 6-1.1-11-8(a);
- (4) the county assessor has not forwarded to the department of local government finance in a timely manner sales disclosure ~~forms form data~~ under ~~IC 6-1.1-5.5-3(b)~~, ~~IC 6-1.1-5.5-3(h)~~, **IC 6-1.1-5.5-3(c)**;
- (5) local assessing officials have not provided information to the department of local government finance in a timely manner under IC 4-10-13-5(b);
- (6) the county auditor has not paid a bill for services under IC 6-1.1-4-31.5 to the department of local government finance in a timely manner;

~~(7) the elected township assessors in the county the elected township assessors and the county assessor; or the county assessor has not transmitted to the department of local government finance by October 1 of the year in which the distribution is scheduled to be made the data for all townships in the county required to be transmitted under IC 6-1.1-4-25(b);~~

(8) the county has not established a parcel index numbering system under 50 IAC 12-15-1 in a timely manner; or

(9) a ~~township~~ or county official has not provided other information to the department of local government finance in a timely manner as required by the department.

(f) Except as provided in subsection (i), money not distributed for the reasons stated in subsection (e) shall be distributed to the county when the department of local government finance determines that the failure to:

- (1) provide information; or
- (2) pay a bill for services;

has been corrected.

(g) The restrictions on distributions under subsection (e) do not apply if the department of local government finance determines that the failure to:

- (1) provide information; or
- (2) pay a bill for services;

in a timely manner is justified by unusual circumstances.

(h) The department shall give the county auditor at least thirty (30) days notice in writing before withholding a distribution under subsection (e).

(i) Money not distributed for the reason stated in subsection (e)(6) may be deposited in the fund established by IC 6-1.1-5.5-4.7(a). Money deposited under this subsection is not subject to distribution under subsection (f).".

Delete pages 223 through 224.

Page 225, delete lines 1 through 7.

Page 247, delete lines 27 through 42, begin a new paragraph and insert:

"SECTION 246. IC 6-1.1-23-1, AS AMENDED BY P.L.214-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. (a) Annually, after November 10th but before August 1st of the succeeding year, each county treasurer shall serve a written demand upon each county resident who is delinquent in the payment of personal property taxes. Annually, after May 10 but before October 31 of the same year, each county treasurer may serve a written demand upon a county resident who is delinquent in the payment of personal property taxes. The written demand may be served upon the taxpayer:

- (1) by registered or certified mail;
- (2) in person by the county treasurer or the county treasurer's agent; or
- (3) by proof of certificate of mailing.

(b) The written demand required by this section shall contain:

- (1) a statement that the taxpayer is delinquent in the payment of personal property taxes;
- (2) the amount of the delinquent taxes;
- (3) the penalties due on the delinquent taxes;
- (4) the collection expenses which the taxpayer owes; and

(5) a statement that if the sum of the delinquent taxes, penalties, and collection expenses are not paid within thirty (30) days from the date the demand is made then:

(A) sufficient personal property of the taxpayer shall be sold to satisfy the total amount due plus the additional collection expenses incurred; or

(B) a judgment may be entered against the taxpayer in the circuit court of the county.

(c) Subsections (d) through (g) apply only to personal property that:

(1) is subject to a lien of a creditor imposed under an agreement entered into between the debtor and the creditor after June 30, 2005;

(2) comes into the possession of the creditor or the creditor's agent after May 10, 2006, to satisfy all or part of the debt arising from the agreement described in subdivision (1); and

(3) has an assessed value of at least three thousand two hundred dollars (\$3,200).

(d) For the purpose of satisfying a creditor's lien on personal property, the creditor of a taxpayer that comes into possession of personal property on which the taxpayer is adjudicated delinquent in the payment of personal property taxes must pay in full to the county treasurer the amount of the delinquent personal property taxes determined under STEP SEVEN of the following formula from the proceeds of any transfer of the personal property made by the creditor or the creditor's agent before applying the proceeds to the creditor's lien on the personal property:

STEP ONE: Determine the amount realized from any transfer of the personal property made by the creditor or the creditor's agent after the payment of the direct costs of the transfer.

STEP TWO: Determine the amount of the delinquent taxes, including penalties and interest accrued on the delinquent taxes as identified on the form described in subsection (f) by the county treasurer.

STEP THREE: Determine the amount of the total of the unpaid debt that is a lien on the transferred property that was perfected before the assessment date on which the delinquent taxes became a lien on the transferred property.

STEP FOUR: Determine the sum of the STEP TWO amount and the STEP THREE amount.

STEP FIVE: Determine the result of dividing the STEP TWO amount by the STEP FOUR amount.

STEP SIX: Multiply the STEP ONE amount by the STEP FIVE amount.

STEP SEVEN: Determine the lesser of the following:

(A) The STEP TWO amount.

(B) The STEP SIX amount.

(e) This subsection applies to transfers made by a creditor after May 10, 2006. As soon as practicable after a creditor comes into possession of the personal property described in subsection (c), the creditor shall request the form described in subsection (f) from the county treasurer. Before a creditor transfers personal property described in subsection (d) on which delinquent personal property taxes are owed, the creditor must obtain from the county treasurer a delinquent personal property tax form and

file the delinquent personal property tax form with the county treasurer. The creditor shall provide the county treasurer with:

(1) the name and address of the debtor; and

(2) a specific description of the personal property described in subsection (d);

when requesting a delinquent personal property tax form.

(f) The delinquent personal property tax form must be in a form prescribed by the state board of accounts under IC 5-1-1 and must require the following information:

(1) The name and address of the debtor as identified by the creditor.

(2) A description of the personal property identified by the creditor and now in the creditor's possession.

(3) The assessed value of the personal property identified by the creditor and now in the creditor's possession, as determined under subsection (g).

(4) The amount of delinquent personal property taxes owed on the personal property identified by the creditor and now in the creditor's possession, as determined under subsection (g).

(5) A statement notifying the creditor that ~~IC 6-1.1-23-1~~ **this section** requires that a creditor, upon the liquidation of personal property for the satisfaction of the creditor's lien, must pay in full the amount of delinquent personal property taxes owed as determined under subsection (d) on the personal property in the amount identified on this form from the proceeds of the liquidation before the proceeds of the liquidation may be applied to the creditor's lien on the personal property.

(g) The county treasurer shall provide the delinquent personal property tax form described in subsection (f) to the creditor not later than fourteen (14) days after the date the creditor requests the delinquent personal property tax form. The county **assessor and township assessors** shall assist the county treasurer in determining the appropriate assessed value of the personal property and the amount of delinquent personal property taxes owed on the personal property. Assistance provided by the county **assessor and township assessors** must include providing the county treasurer with relevant personal property forms filed with the ~~assessors~~ **county assessor** and providing the county treasurer with any other assistance necessary to accomplish the purposes of this section.

SECTION 247. IC 6-1.1-24-2, AS AMENDED BY P.L.89-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. (a) In addition to the delinquency list required under section 1 of this chapter, each county auditor shall prepare a notice. The notice shall contain the following:

(1) A list of tracts or real property eligible for sale under this chapter.

(2) A statement that the tracts or real property included in the list will be sold at public auction to the highest bidder, subject to the right of redemption.

(3) A statement that the tracts or real property will not be sold for an amount which is less than the sum of:

(A) the delinquent taxes and special assessments on each tract or item of real property;

- (B) the taxes and special assessments on each tract or item of real property that are due and payable in the year of the sale, whether or not they are delinquent;
- (C) all penalties due on the delinquencies;
- (D) an amount prescribed by the county auditor that equals the sum of:
- (i) the greater of twenty-five dollars (\$25) or postage and publication costs; and
  - (ii) any other actual costs incurred by the county that are directly attributable to the tax sale; and
- (E) any unpaid costs due under subsection (b) from a prior tax sale.
- (4) A statement that a person redeeming each tract or item of real property after the sale must pay:
- (A) one hundred ten percent (110%) of the amount of the minimum bid for which the tract or item of real property was offered at the time of sale if the tract or item of real property is redeemed not more than six (6) months after the date of sale;
  - (B) one hundred fifteen percent (115%) of the amount of the minimum bid for which the tract or item of real property was offered at the time of sale if the tract or item of real property is redeemed more than six (6) months after the date of sale;
  - (C) the amount by which the purchase price exceeds the minimum bid on the tract or item of real property plus ten percent (10%) per annum on the amount by which the purchase price exceeds the minimum bid; and
  - (D) all taxes and special assessments on the tract or item of real property paid by the purchaser after the tax sale plus interest at the rate of ten percent (10%) per annum on the amount of taxes and special assessments paid by the purchaser on the redeemed property.
- (5) A statement for informational purposes only, of the location of each tract or item of real property by key number, if any, and street address, if any, or a common description of the property other than a legal description. The **township county** assessor, upon written request from the county auditor, shall provide the information to be in the notice required by this subsection. A misstatement in the key number or street address does not invalidate an otherwise valid sale.
- (6) A statement that the county does not warrant the accuracy of the street address or common description of the property.
- (7) A statement indicating:
- (A) the name of the owner of each tract or item of real property with a single owner; or
  - (B) the name of at least one (1) of the owners of each tract or item of real property with multiple owners.
- (8) A statement of the procedure to be followed for obtaining or objecting to a judgment and order of sale, that must include the following:
- (A) A statement:
    - (i) that the county auditor and county treasurer will apply on or after a date designated in the notice for a court judgment against the tracts or real property for an amount that is not less than the amount set under subdivision (3), and for an order to sell the tracts or real property at public auction to the highest bidder, subject to the right of redemption; and
    - (ii) indicating the date when the period of redemption specified in IC 6-1.1-25-4 will expire.
  - (B) A statement that any defense to the application for judgment must be:
    - (i) filed with the court; and
    - (ii) served on the county auditor and the county treasurer;
 before the date designated as the earliest date on which the application for judgment may be filed.
  - (C) A statement that the county auditor and the county treasurer are entitled to receive all pleadings, motions, petitions, and other filings related to the defense to the application for judgment.
  - (D) A statement that the court will set a date for a hearing at least seven (7) days before the advertised date and that the court will determine any defenses to the application for judgment at the hearing.
- (9) A statement that the sale will be conducted at a place designated in the notice and that the sale will continue until all tracts and real property have been offered for sale.
- (10) A statement that the sale will take place at the times and dates designated in the notice. Whenever the public auction is to be conducted as an electronic sale, the notice must include a statement indicating that the public auction will be conducted as an electronic sale and a description of the procedures that must be followed to participate in the electronic sale.
- (11) A statement that a person redeeming each tract or item after the sale must pay the costs described in IC 6-1.1-25-2(e).
- (12) If a county auditor and county treasurer have entered into an agreement under IC 6-1.1-25-4.7, a statement that the county auditor will perform the duties of the notification and title search under IC 6-1.1-25-4.5 and the notification and petition to the court for the tax deed under IC 6-1.1-25-4.6.
- (13) A statement that, if the tract or item of real property is sold for an amount more than the minimum bid and the property is not redeemed, the owner of record of the tract or item of real property who is divested of ownership at the time the tax deed is issued may have a right to the tax sale surplus.
- (14) If a determination has been made under subsection (d), a statement that tracts or items will be sold together.
- (b) If within sixty (60) days before the date of the tax sale the county incurs costs set under subsection (a)(3)(D) and those costs are not paid, the county auditor shall enter the amount of costs that remain unpaid upon the tax duplicate of the property for which the costs were set. The county treasurer shall mail notice of unpaid costs entered upon a tax duplicate under this subsection to the owner of the property identified in the tax duplicate.
- (c) The amount of unpaid costs entered upon a tax duplicate under subsection (b) must be paid no later than the date upon which the next installment of real estate taxes for the property is

due. Unpaid costs entered upon a tax duplicate under subsection (b) are a lien against the property described in the tax duplicate, and amounts remaining unpaid on the date the next installment of real estate taxes is due may be collected in the same manner that delinquent property taxes are collected.

(d) The county auditor and county treasurer may establish the condition that a tract or item will be sold and may be redeemed under this chapter only if the tract or item is sold or redeemed together with one (1) or more other tracts or items. Property may be sold together only if the tract or item is owned by the same person.

SECTION 248. IC 6-1.1-25-4.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4.1. (a) If, as provided in ~~section 4(f)~~ **section 4(h)** of this chapter, the county auditor does not issue a deed to the county for property for which a certificate of sale has been issued to the county under IC 6-1.1-24-9 because the county executive determines that the property contains hazardous waste or another environmental hazard for which the cost of abatement or alleviation will exceed the fair market value of the property, the property may be transferred consistent with ~~the provisions of~~ this section.

(b) A person who desires to obtain title to and eliminate the hazardous conditions of property containing hazardous waste or another environmental hazard for which a county holds a certificate of sale but to which a deed may not be issued to the county under ~~section 4(f)~~ **section 4(h)** of this chapter may file a petition with the county auditor seeking a waiver of the delinquent taxes, special assessments, interest, penalties, and costs assessed against the property and transfer of the title to the property to the petitioner. The petition must:

- (1) be on a form prescribed by the state board of accounts and approved by the department of local government finance;
- (2) state the amount of taxes, special assessments, penalties, and costs assessed against the property for which a waiver is sought;
- (3) describe the conditions existing on the property that have prevented the sale or the transfer of title to the county;
- (4) describe the plan of the petitioner for elimination of the hazardous condition on the property under IC 13-25-5 and the intended use of the property; and
- (5) be accompanied by a fee established by the county auditor for completion of a title search and processing.

(c) Upon receipt of a petition described in subsection (b), the county auditor shall review the petition to determine whether the petition is complete. If the petition is not complete, the county auditor shall return the petition to the petitioner and describe the defects in the petition. The petitioner may correct the defects and file the completed petition with the county auditor. Upon receipt of a completed petition, the county auditor shall forward a copy of the petition to:

- (1) the **county** assessor of the ~~township~~ **county** in which the property is located;
- (2) the owner;
- (3) all persons who have, as of the date of the filing of the petition, a substantial interest of public record in the property;

(4) the county property tax assessment board of appeals; and

(5) the department of local government finance.

(d) Upon receipt of a petition described in subsection (b), the county property tax assessment board of appeals shall, at the county property tax assessment board of appeals' earliest opportunity, conduct a public hearing on the petition. The county property tax assessment board of appeals shall, by mail, give notice of the date, time, and place fixed for the hearing to:

- (1) the petitioner;
- (2) the owner;
- (3) all persons who have, as of the date the petition was filed, a substantial interest of public record in the property; and
- (4) the **county** assessor of the ~~township~~ **county** in which the property is located.

In addition, notice of the public hearing on the petition shall be published one (1) time at least ten (10) days before the hearing in a newspaper of countywide circulation and posted at the principal office of the county property tax assessment board of appeals, or at the building where the meeting is to be held.

(e) After the hearing and completion of any additional investigation of the property or of the petitioner that is considered necessary by the county property tax assessment board of appeals, the county board shall give notice, by mail, to the parties listed in subsection (d) of the county property tax assessment board of appeals' recommendation as to whether the petition should be granted. The county property tax assessment board of appeals shall forward to the department of local government finance a copy of the county property tax assessment board of appeals' recommendation and a copy of the documents submitted to or collected by the county property tax assessment board of appeals at the public hearing or during the course of the county board of appeals' investigation of the petition.

(f) Upon receipt by the department of local government finance of a recommendation by the county property tax assessment board of appeals, the department of local government finance shall review the petition and all other materials submitted by the county property tax assessment board of appeals and determine whether to grant the petition. Notice of the determination by the department of local government finance and the right to seek an appeal of the determination shall be given by mail to:

- (1) the petitioner;
- (2) the owner;
- (3) all persons who have, as of the date the petition was filed, a substantial interest of public record in the property;
- (4) the **county** assessor of the ~~township~~ **county** in which the property is located; and
- (5) the county property tax assessment board of appeals.

(g) Any person aggrieved by a determination of the department of local government finance under subsection (f) may file an appeal seeking additional review by the department of local government finance and a public hearing. In order to obtain a review under this subsection, the aggrieved person must file a petition for appeal with the county auditor in the county where the tract or item of real property is located not more than thirty (30) days after issuance of notice of the determination of the

department of local government finance. The county auditor shall transmit the petition for appeal to the department of local government finance not more than ten (10) days after the petition is filed.

(h) Upon receipt by the department of local government finance of an appeal, the department of local government finance shall set a date, time, and place for a hearing. The department of local government finance shall give notice, by mail, of the date, time, and place fixed for the hearing to:

- (1) the person filing the appeal;
- (2) the petitioner;
- (3) the owner;
- (4) all persons who have, as of the date the petition was filed, a substantial interest of public record in the property;
- (5) the **county** assessor of the ~~township~~ **county** in which the property is located; and
- (6) the county property tax assessment board of appeals.

The department of local government finance shall give the notices at least ten (10) days before the day fixed for the hearing.

(i) After the hearing, the department of local government finance shall give the parties listed in subsection (h) notice by mail of the final determination of the department of local government finance.

(j) If the department of local government finance decides to:

- (1) grant the petition submitted under subsection (b) after initial review of the petition under subsection (f) or after an appeal under subsection (h); and
- (2) waive the taxes, special assessments, interest, penalties, and costs assessed against the property;

the department of local government finance shall issue to the county auditor an order directing the removal from the tax duplicate of the taxes, special assessments, interest, penalties, and costs for which the waiver is granted.

(k) After:

- (1) at least thirty (30) days have passed since the issuance of a notice by the department of local government finance to the county property tax assessment board of appeals granting a petition filed under subsection (b), if no appeal has been filed; or
- (2) not more than thirty (30) days after receipt by the county property tax assessment board of appeals of a notice of a final determination of the department of local government finance granting a petition filed under subsection (b) after an appeal has been filed and heard under subsection (h);

the county auditor shall file a verified petition and an application for an order on the petition in the court in which the judgment of sale was entered asking the court to direct the county auditor to issue a tax deed to the real property. The petition shall contain the certificate of sale issued to the county, a copy of the petition filed under subsection (b), and a copy of the notice of the final determination of the department of local government finance directing the county auditor to remove the taxes, interest, penalties, and costs from the tax duplicate. Notice of the filing of the petition and application for an order on the petition shall be given, by mail, to the owner and any person with a substantial interest of public record in the property. A person owning or having an interest in the property may appear to object to the

petition.

(l) The court shall enter an order directing the county auditor to issue a tax deed to the petitioner under subsection (b) if the court finds that the following conditions exist:

- (1) The time for redemption has expired.
- (2) The property has not been redeemed before the expiration of the period of redemption specified in section 4 of this chapter.
- (3) All taxes, special assessments, interest, penalties, and costs have been waived by the department of local government finance or, to the extent not waived, paid by the petitioner under subsection (b).
- (4) All notices required by this section and sections 4.5 and 4.6 of this chapter have been given.
- (5) The petitioner under subsection (b) has complied with all the provisions of law entitling the petitioner to a tax deed.

(m) A tax deed issued under this section is uncontestable except by appeal from the order of the court directing the county auditor to issue the tax deed. The appeal must be filed not later than sixty (60) days after the date of the court's order."

Delete pages 248 through 256.

Page 257, delete lines 1 through 19.

Page 268, between lines 34 and 35, begin a new paragraph and insert:

"SECTION 264. IC 6-1.1-35-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) The department of local government finance may require ~~township assessors~~, county assessors, ~~or~~ members of the county property tax assessment board of appeals, county auditors, and their employees to attend instructional sessions held by the department or held by others but approved by the department. An assessing official, or an employee who is required to attend an instructional session or who, at the department's request, meets with the department on official business shall receive:

- (1) a lodging allowance for each night preceding session attendance not less than the lodging allowance equal to the lesser of:
  - (A) the cost of a standard room rate at the hotel where the session is held; or
  - (B) the actual cost of lodging paid;
- (2) a subsistence allowance for meals for each day in attendance not less than the subsistence allowance for meals paid to state employees in travel status, but not more than the maximum subsistence allowance permitted under the regulations of the General Services Administration for federal employees in travel status, as reported in the Federal Register;
- (3) a mileage allowance equal to that sum per mile paid to state officers and employees. The rate per mile shall change each time the state government changes its rate per mile; and
- (4) an allowance equal to the cost of parking at the convention site.

The amount a county assessor, ~~a township assessor~~, a member of a county property tax assessment board of appeals, or an employee shall receive under subdivision (2) shall be established by the county fiscal body.

(b) If a county assessor, ~~a township assessor~~, a member of a county property tax assessment board of appeals, or an employee is entitled to receive an allowance under this section, the department of local government finance shall furnish the appropriate county auditor with a certified statement which indicates the dates of attendance. The official or employee may file a claim for payment with the county auditor. The county treasurer shall pay the warrant from the county general fund from funds not otherwise appropriated.

(c) In the case of one (1) day instructional sessions, a lodging allowance may be paid only to persons who reside more than fifty (50) miles from the session location. Regardless of the duration of the session, and even though more than one (1) person may have been transported, only one (1) mileage allowance may be paid to an official or employee furnishing the conveyance."

Page 273, between lines 1 and 2, begin a new paragraph and insert:

"SECTION 270. IC 6-1.1-35.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. The department of local government finance shall design two (2) assessor-appraiser examinations, to be called "level one" and "level two". All citizens of Indiana are eligible to apply for and to be examined under "level one" and "level two" examinations, subject only to the resources and limitations of the department of local government finance in conducting the examinations. Both examinations should cover the subjects of real estate appraising, accounting, and property tax law. Successful performance on the level one examination requires the minimum knowledge needed for effective performance as a county ~~or township~~ assessor under this article. Success on the level two examination requires substantial knowledge of the subjects covered in the examination.

SECTION 271. IC 6-1.1-35.5-5, AS AMENDED BY P.L.219-2007, SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. A county ~~or township~~ assessor, a member or hearing officer of the county property tax assessment board of appeals, or a member of the public may apply for and take the level one examination. A person who is successful on the level one examination may apply for and take the level two examination. A person who is successful on the level two examination may apply for level three certification."

Page 273, delete lines 26 through 42, begin a new paragraph and insert:

"SECTION 273. IC 6-1.1-36-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) A ~~township assessor's assessment or a county assessor's assessment~~ of property is valid even if:

- (1) ~~he the assessor~~ does not complete, or notify the county auditor of, the assessment by the time prescribed under IC 6-1.1-3 or IC 6-1.1-4;
- (2) there is an irregularity or informality in the manner in which ~~he the assessor~~ makes the assessment; or
- (3) there is an irregularity or informality in the tax list.

An irregularity or informality in the assessment or the tax list may be corrected at any time.

(b) This section does not release a ~~township assessor or county assessor~~ from any duty to give notice or from any penalty imposed on ~~him the assessor~~ by law for ~~his the assessor's~~ failure to make ~~his the assessor's~~ return within the time period prescribed in IC 6-1.1-3 or IC 6-1.1-4."

Page 274, delete lines 25 through 42, begin a new paragraph and insert:

"SECTION 275. IC 6-1.1-36-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. In order to discharge their official duties, the following officials may administer oaths and affirmations:

~~(1) Assessing officials:~~

~~(2) (1) County assessors.~~

~~(3) (2) County auditors.~~

~~(4) (3) Members of a county property tax assessment board of appeals.~~

~~(5) (4) Members of the Indiana board.~~

SECTION 276. IC 6-1.1-36-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. (a) The department of local government finance may cancel any property taxes assessed against real property owned by a county, township, city, or town if a petition requesting that the department cancel the taxes is submitted by the auditor, assessor, and treasurer of the county in which the real property is located.

(b) The department of local government finance may cancel any property taxes assessed against real property owned by this state if a petition requesting that the department cancel the taxes is submitted by:

(1) the governor; or

(2) the chief administrative officer of the state agency which supervises the real property.

However, if the petition is submitted by the chief administrative officer of a state agency, the governor must approve the petition.

(c) The department of local government finance may compromise the amount of property taxes, together with any interest or penalties on those taxes, assessed against the fixed or distributable property owned by a bankrupt railroad, which is under the jurisdiction of:

(1) a federal court under 11 U.S.C. 1163;

(2) Chapter X of the Acts of Congress Relating to Bankruptcy (11 U.S.C. 701-799); or

(3) a comparable bankruptcy law.

(d) After making a compromise under subsection (c) and after receiving payment of the compromised amount, the department of local government finance shall distribute to each county treasurer an amount equal to the product of:

(1) the compromised amount; multiplied by

(2) a fraction, the numerator of which is the total of the particular county's property tax levies against the railroad for the compromised years, and the denominator of which is the total of all property tax levies against the railroad for the compromised years.

(e) After making the distribution under subsection (d), the department of local government finance shall direct the auditors of each county to remove from the tax rolls the amount of all property taxes assessed against the bankrupt railroad for the compromised years.

(f) The county auditor of each county receiving money under subsection (d) shall allocate that money among the county's taxing districts. The auditor shall allocate to each taxing district an amount equal to the product of:

- (1) the amount of money received by the county under subsection (d); multiplied by
- (2) a fraction, the numerator of which is the total of the taxing district's property tax levies against the railroad for the compromised years, and the denominator of which is the total of all property tax levies against the railroad in that county for the compromised years.

(g) The money allocated to each taxing district shall be apportioned and distributed among the taxing units of that taxing district in the same manner and at the same time that property taxes are apportioned and distributed.

(h) The department of local government finance may, with the approval of the attorney general, compromise the amount of property taxes, together with any interest or penalties on those taxes, assessed against property owned by a person that has a case pending under state or federal bankruptcy law. Property taxes that are compromised under this section shall be distributed and allocated at the same time and in the same manner as regularly collected property taxes. The department of local government finance may compromise property taxes under this subsection only if:

- (1) a petition is filed with the department of local government finance that requests the compromise and that is signed and approved by the assessor, auditor, and treasurer of each county ~~and the assessor of each township~~ that is entitled to receive any part of the compromised taxes;
- (2) the compromise significantly advances the time of payment of the taxes; and
- (3) the compromise is in the best interest of the state and the taxing units that are entitled to receive any part of the compromised taxes.

(i) A taxing unit that receives funds under this section is not required to include the funds in its budget estimate for any budget year which begins after the budget year in which it receives the funds.

(j) A county treasurer, with the consent of the county auditor and the county assessor, may compromise the amount of property taxes, interest, or penalties owed in a county by an entity that has a case pending under Title 11 of the United States Code (Bankruptcy Code) by accepting a single payment that must be at least seventy-five percent (75%) of the total amount owed in the county.

SECTION 277. IC 6-1.1-36-12, AS AMENDED BY P.L.154-2006, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12. (a) A board of county commissioners ~~or a county assessor or an elected township assessor~~ may enter into a contract for the discovery of property that has been undervalued or omitted from assessment. The contract must prohibit payment to the contractor for discovery of undervaluation or omission with respect to a parcel or personal property return before all appeals of the assessment of the parcel or the assessment under the return have been finalized. The contract may require the contractor to:

- (1) examine and verify the accuracy of personal property returns filed by taxpayers ~~with a township assessor of a township~~ in the county; and
- (2) compare a return with the books of the taxpayer and with personal property owned, held, possessed, controlled, or occupied by the taxpayer.

(b) This subsection applies if funds are not appropriated for payment of services performed under a contract described in subsection (a). The county auditor may create a special nonreverting fund in which the county treasurer shall deposit the amount of taxes, including penalties and interest, that result from additional assessments on undervalued or omitted property collected from all taxing jurisdictions in the county after deducting the amount of any property tax credits that reduce the owner's property tax liability for the undervalued or omitted property. The fund remains in existence during the term of the contract. Distributions shall be made from the fund without appropriation only for the following purposes:

- (1) All contract fees and other costs related to the contract.
- (2) After the payments required by subdivision (1) have been made and the contract has expired, the county auditor shall distribute all money remaining in the fund to the appropriate taxing units in the county using the property tax rates of each taxing unit in effect at the time of the distribution.

(c) A board of county commissioners ~~or a county assessor or an elected township assessor~~ may not contract for services under subsection (a) on a percentage basis.

SECTION 278. IC 6-1.1-36-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 13. When a political subdivision is formed, the auditor of the county in which the political subdivision is situated shall, at the written request of the legislative body of the political subdivision, prepare a list of all the lands and lots within the limits of the political subdivision, and the county auditor shall deliver the list to the ~~appropriate township county~~ assessor on or before the assessment date which immediately follows the date of incorporation. The county auditor shall use the records in the auditor's office in order to compile the list."

Delete pages 275 through 276.

Page 277, delete lines 15 through 42, begin a new paragraph and insert:

"SECTION 279. IC 6-1.1-37-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. (a) If a person fails to file a required personal property return on or before the due date, the county auditor shall add a penalty of twenty-five dollars (\$25) to the person's next property tax installment. The county auditor shall also add an additional penalty to the taxes payable by the person if ~~he~~ **the person** fails to file the personal property return within thirty (30) days after the due date. The amount of the additional penalty is twenty percent (20%) of the taxes finally determined to be due with respect to the personal property which should have been reported on the return.

(b) For purposes of this section, a personal property return is not due until the expiration of any extension period granted by the ~~township county~~ assessor under IC 6-1.1-3-7(b).

(c) The penalties prescribed under this section do not apply to an individual or ~~his~~ **the individual's** dependents if ~~he~~ **the**

**individual:**

- (1) is in the military or naval forces of the United States on the assessment date; and
- (2) is covered by the federal Soldiers' and Sailors' Civil Relief Act.

(d) If a person subject to IC 6-1.1-3-7(d) fails to include on a personal property return the information, if any, that the department of local government finance requires under IC 6-1.1-3-9 or IC 6-1.1-5-13, the county auditor shall add a penalty to the property tax installment next due for the return. The amount of the penalty is twenty-five dollars (\$25).

(e) If the total assessed value that a person reports on a personal property return is less than the total assessed value that the person is required by law to report and if the amount of the undervaluation exceeds five percent (5%) of the value that should have been reported on the return, then the county auditor shall add a penalty of twenty percent (20%) of the additional taxes finally determined to be due as a result of the undervaluation. The penalty shall be added to the property tax installment next due for the return on which the property was undervalued. If a person has complied with all of the requirements for claiming a deduction, an exemption, or an adjustment for abnormal obsolescence, then the increase in assessed value that results from a denial of the deduction, exemption, or adjustment for abnormal obsolescence is not considered to result from an undervaluation for purposes of this subsection.

(f) A penalty is due with an installment under subsection (a), (d), or (e) whether or not an appeal is filed under IC 6-1.1-15-5 with respect to the tax due on that installment.

SECTION 280. IC 6-1.1-37-7.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7.5. A person who fails to provide, within forty-five (45) days after the filing deadline, evidence of the filing of a personal property return to the **county** assessor ~~of the township in which the owner resides;~~ as required under IC 6-1.1-3-1(d), shall pay to the ~~township in which the owner resides;~~ **county** a penalty equal to ten percent (10%) of the tax liability.

SECTION 281. IC 6-1.1-37-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. A ~~township~~ **county** assessor shall inform the county auditor of any vending machine which does not, as required under ~~IC 6-1.1-3-8,~~ **IC 6-1.1-3-8,** have an identification device on its face. The county auditor shall then add a one dollar ~~(\$1.00)~~ **(\$1)** penalty to the next property tax installment of the person on whose premises the machine is located.

SECTION 282. IC 6-1.1-37-10.7, AS ADDED BY P.L.67-2006, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10.7. (a) For purposes of this section, "immediate family member of the taxpayer" means an individual who:

- (1) is the spouse, child, stepchild, parent, or stepparent of the taxpayer, including adoptive relationships; and
- (2) resides in the taxpayer's home.

(b) The county treasurer shall do the following:

- (1) Waive the penalty imposed under section 10(a) of this chapter if the taxpayer or the taxpayer's representative:

(A) petitions the county treasurer to waive the penalty not later than thirty (30) days after the due date of the installment subject to the penalty; and

(B) files with the petition written proof that during the seven (7) day period ending on the installment due date the taxpayer or an immediate family member of the taxpayer died.

(2) Give written notice to the taxpayer or the taxpayer's representative by mail of the treasurer's determination on the petition not later than thirty (30) days after the petition is filed with the treasurer.

(c) The department of local government finance shall prescribe:

- (1) the form of the petition; and
- (2) the type of written proof;

required under subsection (b).

(d) A taxpayer or a taxpayer's representative may appeal a determination of the county treasurer under subsection (b) to deny a penalty waiver by **requesting filing a notice** in writing ~~a preliminary conference~~ with the treasurer not more than forty-five (45) days after the treasurer gives the taxpayer or the taxpayer's representative notice of the determination. An appeal initiated under this subsection is processed and determined in the same manner that an appeal is processed and determined under IC 6-1.1-15.".

Delete page 278.

Page 279, delete lines 1 through 20.

Page 288, delete lines 31 through 42, begin a new paragraph and insert:

"SECTION 293. IC 6-1.1-42-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 27. (a) A property owner who desires to obtain the deduction provided by section 24 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is located. Except as otherwise provided in subsection (b) or (c), the deduction application must be filed before May 10 of the year in which the addition to assessed valuation is made.

(b) If notice of the addition to assessed valuation or new assessment for any year is not given to the property owner before April 10 of that year, the deduction application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the ~~township~~ **county** assessor.

(c) The certified deduction application required by this section must contain the following information:

- (1) The name of each owner of the property.
- (2) A certificate of completion of a voluntary remediation under IC 13-25-5-16.
- (3) Proof that each owner who is applying for the deduction:

(A) has never had an ownership interest in an entity that contributed; and

(B) has not contributed;

a contaminant (as defined in IC 13-11-2-42) that is the subject of the voluntary remediation, as determined under the written standards adopted by the department of environmental management.



(4) Proof that the deduction was approved by the appropriate designating body.

(5) A description of the property for which a deduction is claimed in sufficient detail to afford identification.

(6) The assessed value of the improvements before remediation and redevelopment.

(7) The increase in the assessed value of improvements resulting from remediation and redevelopment.

(8) The amount of the deduction claimed for the first year of the deduction.

(d) A certified deduction application filed under subsection (a) or (b) is applicable for the year in which the addition to assessed value or assessment of property is made and each subsequent year to which the deduction applies under the resolution adopted under section 24 of this chapter.

(e) A property owner who desires to obtain the deduction provided by section 24 of this chapter but who has failed to file a deduction application within the dates prescribed in subsection (a) or (b) may file a deduction application between March 1 and May 10 of a subsequent year which is applicable for the year filed and the subsequent years without any additional certified deduction application being filed for the amounts of the deduction which would be applicable to such years under this chapter if such a deduction application had been filed in accordance with subsection (a) or (b).

(f) On verification of the correctness of a certified deduction application by the **county** assessor of the **township county** in which the property is located, the county auditor shall, if the property is covered by a resolution adopted under section 24 of this chapter, make the appropriate deduction.

(g) The amount and period of the deduction provided for property by section 24 of this chapter are not affected by a change in the ownership of the property if the new owner of the property:

(1) is a person that:

(A) has never had an ownership interest in an entity that contributed; and

(B) has not contributed;

a contaminant (as defined in IC 13-11-2-42) that is the subject of the voluntary remediation, as determined under the written standards adopted by the department of environmental management;

(2) continues to use the property in compliance with any standards established under sections 7 and 23 of this chapter; and

(3) files an application in the manner provided by subsection (e).

(h) The **township county** assessor shall include a notice of the deadlines for filing a deduction application under subsections (a) and (b) with each notice to a property owner of an addition to assessed value or of a new assessment."

Delete page 289.

Page 290, delete lines 1 through 23.

Page 291, delete lines 25 through 42, begin a new paragraph and insert:

"SECTION 295. IC 6-1.1-45.5-3, AS ADDED BY P.L.208-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. On receipt of

a petition under section 2 of this chapter, the county auditor shall determine whether the petition is complete. If the petition is not complete, the county auditor shall return the petition to the petitioner and describe the defects in the petition. The petitioner may correct the defects and file the completed petition with the county auditor. On receipt of a complete petition, the county auditor shall forward a copy of the complete petition to:

(1) the **county** assessor of the **township county** in which the brownfield is located;

(2) the owner, if different from the petitioner;

(3) all persons that have, as of the date of the filing of the petition, a substantial property interest of public record in the brownfield;

(4) the board;

(5) the fiscal body;

(6) the department of environmental management; and

(7) the department.

SECTION 296. IC 6-1.1-45.5-4, AS ADDED BY P.L.208-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. On receipt of a complete petition as provided under sections 2 and 3 of this chapter, the board shall at its earliest opportunity conduct a public hearing on the petition. The board shall give notice of the date, time, and place fixed for the hearing:

(1) by mail to:

(A) the petitioner;

(B) the owner, if different from the petitioner;

(C) all persons that have, as of the date the petition was filed, a substantial interest of public record in the brownfield; and

(D) the **county** assessor of the **township county** in which the brownfield is located; and

(2) under IC 5-3-1.

SECTION 297. IC 6-1.1-45.5-8, AS ADDED BY P.L.208-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. (a) The department shall give notice of its determination under section 7 of this chapter and the right to seek an appeal of the determination by mail to:

(1) the petitioner;

(2) the owner, if different from the petitioner;

(3) all persons that have, as of the date the petition was filed under section 2 of this chapter, a substantial property interest of public record in the brownfield;

(4) the **county** assessor of the **township county** in which the brownfield is located;

(5) the board;

(6) the fiscal body; and

(7) the county auditor.

(b) A person aggrieved by a determination of the department under section 7 of this chapter may obtain an additional review by the department and a public hearing by filing a petition for review with the county auditor of the county in which the brownfield is located not more than thirty (30) days after the department gives notice of the determination under subsection (a). The county auditor shall transmit the petition to the department not more than ten (10) days after the petition is filed.

(c) On receipt by the department of a petition for review, the department shall set a date, time, and place for a hearing. At least ten (10) days before the date fixed for the hearing, the department shall give notice by mail of the date, time, and place fixed for the hearing to:

- (1) the person that filed the appeal;
- (2) the petitioner;
- (3) the owner, if different from the petitioner;
- (4) all persons that have, as of the date the petition is filed, a substantial interest of public record in the brownfield;
- (5) the **county** assessor of the **township county** in which the brownfield is located;
- (6) the board;
- (7) the fiscal body; and
- (8) the county auditor.

(d) After the hearing, the department shall give the parties listed in subsection (c) notice by mail of the final determination of the department. The department's final determination under this subsection is subject to the limitations in subsections (f)(2) and (g).

(e) The petitioner under section 2 of this chapter shall provide to the county auditor reasonable proof of ownership of the brownfield:

- (1) if a petition is not filed under subsection (b), at least thirty (30) days but not more than one hundred twenty (120) days after notice is given under subsection (a); or
- (2) after notice is given under subsection (d) but not more than ninety (90) days after notice is given under subsection (d).

(f) The county auditor:

- (1) shall, subject to subsection (g), reduce or remove the delinquent tax liability on the tax duplicate in the amount stated in:

- (A) if a petition is not filed under subsection (b), the determination of the department under section 7 of this chapter; or
- (B) the final determination of the department under this section;

not more than thirty (30) days after receipt of the proof of ownership required in subsection (e); and

- (2) may not reduce or remove any delinquent tax liability on the tax duplicate if the petitioner under section 2 of this chapter fails to provide proof of ownership as required in subsection (e).

(g) A reduction or removal of delinquent tax liability under subsection (f) applies until the county auditor makes a determination under this subsection. After the date referred to in section 2(6) of this chapter, the county auditor shall determine if the petitioner successfully completed the plan described in section 2(5) of this chapter by that date. If the county auditor determines that the petitioner completed the plan by that date, the reduction or removal of delinquent tax liability under subsection (f) becomes permanent. If the county auditor determines that the petitioner did not complete the plan by that date, the county auditor shall restore to the tax duplicate the delinquent taxes reduced or removed under subsection (f), along with interest in the amount that would have applied if the delinquent taxes had not been reduced or removed.

SECTION 298. IC 6-1.5-5-2, AS AMENDED BY P.L.219-2007, SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. (a) After receiving a petition for review that is filed under a statute listed in section 1(a) of this chapter, the Indiana board shall, at its earliest opportunity:

- (1) conduct a hearing; or
- (2) cause a hearing to be conducted by an administrative law judge.

The Indiana board may determine to conduct the hearing under subdivision (1) on its own motion or on request of a party to the appeal.

(b) In its resolution of a petition, the Indiana board may correct any errors that may have been made and adjust the assessment in accordance with the correction.

(c) The Indiana board shall give notice of the date fixed for the hearing by mail to:

- (1) the taxpayer;
- (2) the department of local government finance; and
- (3) the appropriate:

- ~~(A) township assessor;~~
- ~~(B) (A) county assessor;~~ and
- ~~(C) (B) county auditor.~~

(d) With respect to an appeal of the assessment of real property or personal property filed after June 30, 2005, the notices required under subsection (c) must include the following:

- (1) The action of the department of local government finance with respect to the appealed items.
- (2) A statement that a taxing unit receiving the notice from the county auditor under subsection (e) may:
  - (A) attend the hearing;
  - (B) offer testimony; and
  - (C) file an amicus curiae brief in the proceeding.

(e) If, after receiving notice of a hearing under subsection (c), the county auditor determines that the assessed value of the appealed items constitutes at least one percent (1%) of the total gross certified assessed value of a particular taxing unit for the assessment date immediately preceding the assessment date for which the appeal was filed, the county auditor shall send a copy of the notice to the affected taxing unit. A taxing unit that receives a notice from the county auditor under this subsection is not a party to the appeal. Failure of the county auditor to send a copy of the notice to the affected taxing unit does not affect the validity of the appeal or delay the appeal.

(f) The Indiana board shall give the notices required under subsection (c) at least thirty (30) days before the day fixed for the hearing.

SECTION 299. IC 6-1.5-5-5, AS AMENDED BY P.L.154-2006, SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. After the hearing, the Indiana board shall give the petitioner, ~~the township assessor~~ the county assessor, the county auditor, and the department of local government finance:

- (1) notice, by mail, of its final determination, findings of fact, and conclusions of law; and
- (2) notice of the procedures the petitioner or the department of local government finance must follow in order to obtain court review of the final determination of the Indiana

board.

The county auditor shall provide copies of the documents described in subdivisions (1) and (2) to the taxing units entitled to notice under section 2(e) of this chapter."

Delete pages 292 through 294.

Page 295, delete lines 1 through 24.

Page 300, delete lines 7 through 42, begin a new paragraph and insert:

"SECTION 306. IC 6-2.5-8-1, AS AMENDED BY P.L.219-2007, SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec.1. (a) A retail merchant may not make a retail transaction in Indiana, unless the retail merchant has applied for a registered retail merchant's certificate.

(b) A retail merchant may obtain a registered retail merchant's certificate by filing an application with the department and paying a registration fee of twenty-five dollars (\$25) for each place of business listed on the application. The retail merchant shall also provide such security for payment of the tax as the department may require under IC 6-2.5-6-12.

(c) The retail merchant shall list on the application the location (including the township) of each place of business where the retail merchant makes retail transactions. However, if the retail merchant does not have a fixed place of business, the retail merchant shall list the retail merchant's residence as the retail merchant's place of business. In addition, a public utility may list only its principal Indiana office as its place of business for sales of public utility commodities or service, but the utility must also list on the application the places of business where it makes retail transactions other than sales of public utility commodities or service.

(d) Upon receiving a proper application, the correct fee, and the security for payment, if required, the department shall issue to the retail merchant a separate registered retail merchant's certificate for each place of business listed on the application. Each certificate shall bear a serial number and the location of the place of business for which it is issued.

(e) If a retail merchant intends to make retail transactions during a calendar year at a new Indiana place of business, the retail merchant must file a supplemental application and pay the fee for that place of business.

(f) A registered retail merchant's certificate is valid for two (2) years after the date the registered retail merchant's certificate is originally issued or renewed. If the retail merchant has filed all returns and remitted all taxes the retail merchant is currently obligated to file or remit, the department shall renew the registered retail merchant's certificate within thirty (30) days after the expiration date, at no cost to the retail merchant.

(g) The department may not renew a registered retail merchant certificate of a retail merchant who is delinquent in remitting sales or use tax. The department, at least sixty (60) days before the date on which a retail merchant's registered retail merchant's certificate expires, shall notify a retail merchant who is delinquent in remitting sales or use tax that the department will not renew the retail merchant's registered retail merchant's certificate.

(h) A retail merchant engaged in business in Indiana as defined in IC 6-2.5-3-1(c) who makes retail transactions that are

only subject to the use tax must obtain a registered retail merchant's certificate before making those transactions. The retail merchant may obtain the certificate by following the same procedure as a retail merchant under subsections (b) and (c), except that the retail merchant must also include on the application:

(1) the names and addresses of the retail merchant's principal employees, agents, or representatives who engage in Indiana in the solicitation or negotiation of the retail transactions;

(2) the location of all of the retail merchant's places of business in Indiana, including offices and distribution houses; and

(3) any other information that the department requests.

(i) The department may permit an out-of-state retail merchant to collect the use tax. However, before the out-of-state retail merchant may collect the tax, the out-of-state retail merchant must obtain a registered retail merchant's certificate in the manner provided by this section. Upon receiving the certificate, the out-of-state retail merchant becomes subject to the same conditions and duties as an Indiana retail merchant and must then collect the use tax due on all sales of tangible personal property that the out-of-state retail merchant knows is intended for use in Indiana.

(j) Except as provided in subsection (k), the department shall submit to the ~~township~~ **county** assessor before July 15 of each year:

(1) the name of each retail merchant that has newly obtained a registered retail merchant's certificate between March 2 of the preceding year and March 1 of the current year for a place of business located in the ~~township~~ **county**; and

(2) the address of each place of business of the taxpayer in the ~~township~~ **county**.

~~(k) If the duties of the township assessor have been transferred to the county assessor as described in IC 6-1.1-1-24, the department shall submit the information listed in subsection (j) to the county assessor."~~

Delete page 301.

Page 302, delete line 1.

Page 379, line 15, strike "township assessors".

Page 379, line 15, delete "(if any)".

Page 379, line 15, strike "and".

Page 494, delete lines 22 through 42, begin a new paragraph and insert:

"SECTION 535. IC 25-34.1-3-8, AS AMENDED BY P.L.57-2007, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. (a) This section does not preclude a person who:

(1) is not licensed or certified as a real estate appraiser under this section; and

(2) is licensed as a broker under this article;

from appraising real estate in Indiana for compensation.

(b) As used in this section, "federal act" refers to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (12 U.S.C. 3331 through 3351).

(c) The commission shall adopt rules to establish a real estate appraiser licensure and certification program to be administered

by the board.

(d) The commission may not adopt rules under this section except upon the action and written recommendations of the board under IC 25-34.1-8-6.5.

(e) The real estate appraiser licensure and certification program established by the commission under this section must meet the requirements of:

- (1) the federal act;
- (2) any federal regulations adopted under the federal act; and
- (3) any other requirements established by the commission as recommended by the board, including requirements for education, experience, examination, reciprocity, and temporary practice.

(f) The real estate appraiser licensure and certification requirements established by the commission under this section must require a person to meet the standards for real estate appraiser certification and licensure established:

- (1) under the federal act;
- (2) by federal regulations; and
- (3) **under** any other requirements established by the commission as recommended by the board, including requirements for education, experience, examination, reciprocity, and temporary practice.

(g) The commission may require continuing education as a condition of renewal for real estate appraiser licensure and certification.

(h) The following are not required to be a licensed or certified real estate appraiser to perform the requirements of IC 6-1.1-4:

- (1) A county assessor. ~~who holds office under IC 36-2-15.~~
- (2) ~~A township assessor. who holds office under IC 36-6-5.~~
- (3) ~~(2) An individual employed by an officer described in subdivision (1) or (2):~~ **employee of a county assessor.**

(i) Notwithstanding IC 25-34.1-3-2(a):

- (1) only a person who receives a license or certificate issued under the real estate appraiser licensure and certification program established under this section may appraise real estate involved in transactions governed by:

(A) the federal act; and

(B) any regulations adopted under the federal act; as determined under rules adopted by the commission, as recommended by the board; and

(2) a person who receives a license or certificate issued under the real estate appraiser licensure and certification program established under this section may appraise real estate not involved in transactions governed by:

(A) the federal act; and

(B) any regulations adopted under the federal act; as determined under rules adopted by the commission, as recommended by the board."

Page 495, delete lines 1 through 40.

Page 576, delete lines 38 through 42, begin a new paragraph and insert:

"SECTION 672. IC 32-21-2-13, AS AMENDED BY P.L.219-2007, SECTION 100, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 13. (a) Except as provided in subsection (c), if the **county** auditor ~~of the county~~ or the ~~township~~ **county** assessor under IC 6-1.1-5-9 and

IC 6-1.1-5-9.1 determines it necessary, an instrument transferring fee simple title to less than the whole of a tract that will result in the division of the tract into at least two (2) parcels for property tax purposes may not be recorded unless the auditor or ~~township~~ assessor is furnished a drawing or other reliable evidence of the following:

- (1) The number of acres in each new tax parcel being created.
- (2) The existence or absence of improvements on each new tax parcel being created.
- (3) The location within the original tract of each new tax parcel being created.

(b) Any instrument that is accepted for recording and placed of record that bears the endorsement required by IC 36-2-11-14 is presumed to comply with this section.

(c) If the duties of the township assessor have been transferred to the county assessor as described in IC 6-1.1-1-24 (**before its repeal**), a reference to the township assessor in this section is considered to be a reference to the county assessor."

Page 577, delete lines 1 through 17.

Page 580, line 17, strike "township assessor".

Page 580, line 17, delete "(if any)".

Page 580, line 17, strike "or the".

Page 581, line 40, strike "township assessor".

Page 581, line 40, delete "(if)".

Page 581, line 41, delete "any)".

Page 581, line 41, strike "or the".

Page 588, delete lines 13 through 42, begin a new paragraph and insert:

"SECTION 685. IC 36-1-8-14.2, AS AMENDED BY P.L.219-2007, SECTION 105, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 14.2. (a) As used in this section, the following terms have the meanings set forth in IC 6-1.1-1:

- (1) Assessed value.
- (2) Exemption.
- (3) Owner.
- (4) Person.
- (5) Property taxation.
- (6) Real property.
- (7) Township assessor.

(b) As used in this section, "PILOTS" means payments in lieu of taxes.

(c) As used in this section, "property owner" means the owner of real property described in IC 6-1.1-10-16.7.

(d) Subject to the approval of a property owner, the governing body of a political subdivision may adopt an ordinance to require the property owner to pay PILOTS at times set forth in the ordinance with respect to real property that is subject to an exemption under IC 6-1.1-10-16.7, if the improvements that qualify the real property for an exemption were begun or acquired after December 31, 2001. The ordinance remains in full force and effect until repealed or modified by the governing body, subject to the approval of the property owner.

(e) The PILOTS must be calculated so that the PILOTS are in an amount equal to the amount of property taxes that would have been levied by the governing body for the political subdivision upon the real property described in subsection (d) if the property

were not subject to an exemption from property taxation.

(f) PILOTS shall be imposed as are property taxes and shall be based on the assessed value of the real property described in subsection (d). ~~Except as provided in subsection (j);~~ The ~~township assessors~~ **county assessor** shall assess the real property described in subsection (d) as though the property were not subject to an exemption.

(g) PILOTS collected under this section shall be deposited in the unit's affordable housing fund established under IC 5-20-5-15.5 and used for any purpose for which the affordable housing fund may be used.

(h) PILOTS shall be due as set forth in the ordinance and bear interest, if unpaid, as in the case of other taxes on property. PILOTS shall be treated in the same manner as taxes for purposes of all procedural and substantive provisions of law.

(i) This section does not apply to a county that contains a consolidated city or to a political subdivision of the county.

~~(j) If the duties of the township assessor have been transferred to the county assessor as described in IC 6-1.1-1-24, a reference to the township assessor in this section is considered to be a reference to the county assessor.~~

SECTION 686. IC 36-2-5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. (a) Before the Thursday after the first Monday in August of each year, each county officer ~~and township assessor~~ shall prepare an itemized estimate of the amount of money required for ~~his the officer's~~ office for the next calendar year. Each budget estimate under this section must include:

- (1) the compensation of the officer;
- (2) the expense of employing deputies;
- (3) the expense of office supplies, itemized by the quantity and probable cost of each kind of supplies;
- (4) the expense of litigation for the office; and
- (5) other expenses of the office, specifically itemized;

that are payable out of the county treasury.

(b) If all or part of the expenses of a county office may be paid out of the county treasury, but only under an order of the county executive to that effect, the expenses of the office shall be included in the officer's budget estimate and may not be included in the county executive's budget estimate."

Page 589, delete lines 1 through 37.

Page 590, delete lines 34 through 42, begin a new paragraph and insert:

"SECTION 688. IC 36-2-6-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. (a) The county executive or a court may not make an allowance to a county officer for:

- (1) services rendered in a criminal action;
- (2) services rendered in a civil action; or
- (3) extra services rendered in ~~his the county officer's~~ capacity as a county officer.

(b) The county executive may make an allowance to the clerk of the circuit court, county auditor, county treasurer, county sheriff, ~~township assessor~~ or county assessor, or to any of those officers' employees, only if:

- (1) the allowance is specifically required by law; or
- (2) the county executive finds, on the record, that the allowance is necessary in the public interest.

(c) A member of the county executive who recklessly violates subsection (b) commits a Class C misdemeanor and forfeits ~~his~~ **the member's** office.

SECTION 689. IC 36-2-6-22, AS AMENDED BY P.L.219-2007, SECTION 107, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 22. (a) As used in this section, the following terms have the meanings set forth in IC 6-1.1-1:

- (1) Assessed value.
- (2) Exemption.
- (3) Owner.
- (4) Person.
- (5) Property taxation.
- (6) Real property.
- (7) Township assessor.

(b) As used in this section, "PILOTS" means payments in lieu of taxes.

(c) As used in this section, "property owner" means the owner of real property described in IC 6-1.1-10-16.7 that is not located in a county containing a consolidated city.

(d) Subject to the approval of a property owner, the fiscal body of a county may adopt an ordinance to require the property owner to pay PILOTS at times set forth in the ordinance with respect to real property that is subject to an exemption under IC 6-1.1-10-16.7. The ordinance remains in full force and effect until repealed or modified by the legislative body, subject to the approval of the property owner.

(e) The PILOTS must be calculated so that the PILOTS are in an amount equal to the amount of property taxes that would have been levied upon the real property described in subsection (d) if the property were not subject to an exemption from property taxation.

(f) PILOTS shall be imposed in the same manner as property taxes and shall be based on the assessed value of the real property described in subsection (d). ~~Except as provided in subsection (i);~~ The ~~township assessors~~ **county assessor** shall assess the real property described in subsection (d) as though the property were not subject to an exemption.

(g) PILOTS collected under this section shall be distributed in the same manner as if they were property taxes being distributed to taxing units in the county.

(h) PILOTS shall be due as set forth in the ordinance and bear interest, if unpaid, as in the case of other taxes on property. PILOTS shall be treated in the same manner as taxes for purposes of all procedural and substantive provisions of law.

~~(i) If the duties of the township assessor have been transferred to the county assessor as described in IC 6-1.1-1-24, a reference to the township assessor in this section is considered to be a reference to the county assessor."~~

Delete page 591.

Page 592, delete lines 1 through 9.

Page 592, delete lines 29 through 42, begin a new paragraph and insert:

"SECTION 692. IC 36-2-15-5, AS AMENDED BY P.L.219-2007, SECTION 108, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. ~~(a)~~ The county assessor shall perform the functions assigned by statute to the county assessor, including the following:

- (1) Countywide equalization.
- (2) Selection and maintenance of a countywide computer system.
- (3) Certification of gross assessments to the county auditor.
- (4) Discovery of omitted property.
- (5) In a county in which the transfer of duties is required by subsection (e), Performance of the assessment duties prescribed by IC 6-1.1.

(b) The county assessor shall perform the functions of an assessing official under IC 36-6-5-2 in a township with a township assessor-trustee if the township assessor-trustee:

- (1) fails to make a report that is required by law;
- (2) fails to deliver a property tax record to the appropriate officer or board;
- (3) fails to deliver an assessment to the county assessor; or
- (4) fails to perform any other assessing duty as required by statute or rule of the department of local government finance;

within the time period prescribed by statute or rule of the department or within a later time that is necessitated by reason of another official failing to perform the official's functions in a timely manner:

(c) A township with a township trustee-assessor may, with the consent of the township board, enter into an agreement with:

- (1) the county assessor; or
- (2) another township assessor in the county;

to perform any of the functions of an assessing official. A township trustee-assessor may not contract for the performance of any function for a period of time that extends beyond the completion of the township trustee-assessor's term of office.

(d) A transfer of duties between assessors under subsection (e) does not affect:

- (1) any assessment, assessment appeal, or other official action made by an assessor before the transfer; or
- (2) any pending action against, or the rights of any party that may possess a legal claim against, an assessor that is not described in subdivision (1).

Any assessment, assessment appeal, or other official action of an assessor made by the assessor within the scope of the assessor's official duties before the transfer is considered as having been made by the assessor to whom the duties are transferred:

(e) If for a particular general election after June 30, 2008, the person elected to the office of township assessor or the office of township trustee-assessor has not attained the certification of a level two assessor-appraiser as provided in IC 3-8-1-23.5 before the date the term of office begins, the assessment duties prescribed by IC 6-1.1 that would otherwise be performed in the township by the township assessor or township trustee-assessor are transferred to the county assessor on that date. If assessment duties in a township are transferred to the county assessor under this subsection, those assessment duties are transferred back to the township assessor or township trustee-assessor (as appropriate) if at a later election a person who has attained the certification of a level two assessor-appraiser as provided in IC 3-8-1-23.5 is elected to the office of township assessor or the office of township trustee-assessor.

(f) If assessment duties in a township are transferred to the county assessor under subsection (e):

(1) the office of elected township assessor remains vacant for the period during which the assessment duties prescribed by IC 6-1.1 are transferred to the county assessor; and

(2) the office of township trustee remains in place for the purpose of carrying out all functions of the office other than assessment duties prescribed by IC 6-1.1."

Delete page 593.

Page 594, delete lines 1 through 19.

Page 594, delete lines 28 through 42, begin a new paragraph and insert:

"SECTION 694. IC 36-2-19-7, AS AMENDED BY P.L.219-2007, SECTION 110, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. (a) Except as provided in subsection (b), In a township county in which IC 6-1.1-5-9 or IC 6-1.1-5-9.1 applies, the county surveyor shall file a duplicate copy of any plat described in section 4 of this chapter with the township county assessor.

(b) If the duties of the township assessor have been transferred to the county assessor as described in IC 6-1.1-1-24, a reference to the township assessor in this section is considered to be a reference to the county assessor:

SECTION 695. IC 36-3-2-10, AS AMENDED BY P.L.219-2007, SECTION 111, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. (a) The general assembly finds the following:

(1) That the tax base of the consolidated city and the county have been significantly eroded through the ownership of tangible property by separate municipal corporations and other public entities that operate as private enterprises yet are exempt or whose property is exempt from property taxation.

(2) That to restore this tax base and provide a proper allocation of the cost of providing governmental services the legislative body of the consolidated city and county should be authorized to collect payments in lieu of taxes from these public entities.

(3) That the appropriate maximum payments in lieu of taxes would be the amount of the property taxes that would be paid if the tangible property were not subject to an exemption.

(b) As used in this section, the following terms have the meanings set forth in IC 6-1.1-1:

- (1) Assessed value.
- (2) Exemption.
- (3) Owner.
- (4) Person.
- (5) Personal property.
- (6) Property taxation.
- (7) Tangible property.
- (8) Township assessor.

(c) As used in this section, "PILOTS" means payments in lieu of taxes.

(d) As used in this section, "public entity" means any of the following government entities in the county:

- (1) An airport authority operating under IC 8-22-3.
- (2) A capital improvement board of managers under IC 36-10-9.

(3) A building authority operating under IC 36-9-13.

(4) A wastewater treatment facility.

(e) The legislative body of the consolidated city may adopt an ordinance to require a public entity to pay PILOTS at times set forth in the ordinance with respect to:

(1) tangible property of which the public entity is the owner or the lessee and that is subject to an exemption;

(2) tangible property of which the owner is a person other than a public entity and that is subject to an exemption under IC 8-22-3; or

(3) both.

The ordinance remains in full force and effect until repealed or modified by the legislative body.

(f) The PILOTS must be calculated so that the PILOTS may be in any amount that does not exceed the amount of property taxes that would have been levied by the legislative body for the consolidated city and county upon the tangible property described in subsection (e) if the property were not subject to an exemption from property taxation.

(g) PILOTS shall be imposed as are property taxes and shall be based on the assessed value of the tangible property described in subsection (e). ~~Except as provided in subsection (f); The township assessors county assessor~~ shall assess the tangible property described in subsection (e) as though the property were not subject to an exemption. The public entity shall report the value of personal property in a manner consistent with IC 6-1.1-3.

(h) Notwithstanding any law to the contrary, a public entity is authorized to pay PILOTS imposed under this section from any legally available source of revenues. The public entity may consider these payments to be operating expenses for all purposes.

(i) PILOTS shall be deposited in the consolidated county fund and used for any purpose for which the consolidated county fund may be used.

(j) PILOTS shall be due as set forth in the ordinance and bear interest, if unpaid, as in the case of other taxes on property. PILOTS shall be treated in the same manner as taxes for purposes of all procedural and substantive provisions of law.

(k) PILOTS imposed on a wastewater treatment facility may be paid only from the cash earnings of the facility remaining after provisions have been made to pay for current obligations, including:

(1) operating and maintenance expenses;

(2) payment of principal and interest on any bonded indebtedness;

(3) depreciation or replacement fund expenses;

(4) bond and interest sinking fund expenses; and

(5) any other priority fund requirements required by law or by any bond ordinance, resolution, indenture, contract, or similar instrument binding on the facility.

~~(i) If the duties of the township assessor have been transferred to the county assessor as described in IC 6-1.1-1-24, a reference to the township assessor in this section is considered to be a reference to the county assessor.~~

SECTION 696. IC 36-3-2-11, AS AMENDED BY P.L.219-2007, SECTION 112, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 11. (a) As used

in this section, the following terms have the meanings set forth in IC 6-1.1-1:

(1) Assessed value.

(2) Exemption.

(3) Owner.

(4) Person.

(5) Property taxation.

(6) Real property.

(7) Township assessor.

(b) As used in this section, "PILOTS" means payments in lieu of taxes.

(c) As used in this section, "property owner" means the owner of real property described in IC 6-1.1-10-16.7 that is located in a county with a consolidated city.

(d) Subject to the approval of a property owner, the legislative body of the consolidated city may adopt an ordinance to require the property owner to pay PILOTS at times set forth in the ordinance with respect to real property that is subject to an exemption under IC 6-1.1-10-16.7. The ordinance remains in full force and effect until repealed or modified by the legislative body, subject to the approval of the property owner.

(e) The PILOTS must be calculated so that the PILOTS are in an amount that is:

(1) agreed upon by the property owner and the legislative body of the consolidated city;

(2) a percentage of the property taxes that would have been levied by the legislative body for the consolidated city and the county upon the real property described in subsection (d) if the property were not subject to an exemption from property taxation; and

(3) not more than the amount of property taxes that would have been levied by the legislative body for the consolidated city and county upon the real property described in subsection (d) if the property were not subject to an exemption from property taxation.

(f) PILOTS shall be imposed as are property taxes and shall be based on the assessed value of the real property described in subsection (d). ~~Except as provided in subsection (f); The township assessors county assessor~~ shall assess the real property described in subsection (d) as though the property were not subject to an exemption.

(g) PILOTS collected under this section shall be deposited in the housing trust fund established under IC 36-7-15.1-35.5 and used for any purpose for which the housing trust fund may be used.

(h) PILOTS shall be due as set forth in the ordinance and bear interest, if unpaid, as in the case of other taxes on property. PILOTS shall be treated in the same manner as taxes for purposes of all procedural and substantive provisions of law.

~~(i) If the duties of the township assessor have been transferred to the county assessor as described in IC 6-1.1-1-24, a reference to the township assessor in this section is considered to be a reference to the county assessor."~~

Delete pages 595 through 597.

Page 598, delete line 1 through 5.

Page 599, delete lines 9 through 38, begin a new paragraph and insert:

"SECTION 698. IC 36-3-6-4, AS AMENDED BY

P.L.227-2005, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. (a) Before the Wednesday after the first Monday in July each year, the consolidated city and county shall prepare budget estimates for the ensuing budget year under this section.

(b) The following officers shall prepare for their respective departments, offices, agencies, or courts an estimate of the amount of money required for the ensuing budget year, stating in detail each category and item of expenditure they anticipate:

- (1) The director of each department of the consolidated city.
- (2) Each ~~township assessor~~ elected county officer or head of a county agency.
- (3) The county clerk, for each court ~~of which he is the clerk serves~~.

(c) In addition to the estimates required by subsection (b), the county clerk shall prepare an estimate of the amount of money that is, under law, taxable against the county for the expenses of cases tried in other counties on changes of venue.

(d) Each officer listed in subsection (b)(2) or (b)(3) shall append a certificate to each estimate the officer prepares stating that in the officer's opinion the amount fixed in each item will be required for the purpose indicated. The certificate must be verified by the oath of the officer.

(e) An estimate for a court or division of a court is subject to modification and approval by the judge of the court or division.

(f) All of the estimates prepared by city officers and county officers shall be submitted to the controller.

(g) The controller shall also prepare an itemized estimate of city and county expenditures for other purposes above the money proposed to be used by the city departments and county officers and agencies."

Page 600, delete lines 18 through 42, begin a new paragraph and insert:

"SECTION 700. IC 36-5-1-3, AS AMENDED BY P.L.219-2007, SECTION 115, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. ~~(a)~~ A petition for incorporation must be accompanied by the following items, to be supplied at the expense of the petitioners:

- (1) A survey, certified by a surveyor registered under IC 25-21.5, showing the boundaries of and quantity of land contained in the territory sought to be incorporated.
- (2) An enumeration of the territory's residents and landowners and their mailing addresses, completed not more than thirty (30) days before the time of filing of the petition and verified by the persons supplying it.
- (3) ~~Except as provided in subsection (b);~~ A statement of the assessed valuation of all real property within the territory, certified by the ~~assessors~~ **county assessor** of the ~~townships~~ **county** in which the territory is located.
- (4) A statement of the services to be provided to the residents of the proposed town and the approximate times at which they are to be established.
- (5) A statement of the estimated cost of the services to be provided and the proposed tax rate for the town.
- (6) The name to be given to the proposed town.

~~(b) If the duties of the township assessor have been transferred to the county assessor as described in IC 6-1-1-1-24, a reference~~

~~to the township assessor in this section is considered to be a reference to the county assessor."~~

Page 601, delete lines 1 through 2.

Page 602, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 702. IC 36-6-1.5-7, AS ADDED BY P.L.240-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. If township governments merge under this chapter,

~~(1) IC 36-6-6 applies to the election of the township board and~~

~~(2) IC 36-6-5-1 applies to the election of a township assessor;~~

of the new township government."

Page 602, delete lines 35 through 42, begin a new paragraph and insert:

"SECTION 703. IC 36-6-6-10, AS AMENDED BY P.L.169-2006, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. ~~(a)~~ This section does not apply to the appropriation of money to pay a ~~deputy an employee or a technical adviser that assists a township assessor with assessment duties or to an elected township assessor.~~

~~(b)~~ (a) The township legislative body shall fix the:

- (1) salaries;
- (2) wages;
- (3) rates of hourly pay; and
- (4) remuneration other than statutory allowances;

of all officers and employees of the township.

~~(c)~~ (b) Subject to subsection ~~(d)~~, (c), the township legislative body may reduce the salary of an elected or appointed official. However, except as provided in subsection ~~(f)~~, (g), the official is entitled to a salary that is not less than the salary fixed for the first year of the term of office that immediately preceded the current term of office.

~~(d)~~ (c) Except as provided in subsections ~~(e)~~ and ~~(f)~~, **subsection (g)**, the township legislative body may not alter the salaries of elected or appointed officers during the fiscal year for which they are fixed, but it may add or eliminate any other position and change the salary of any other employee, if the necessary funds and appropriations are available.

~~(e)~~ In a township that does not elect a township assessor under IC 36-6-5-1, the township legislative body may appropriate available township funds to supplement the salaries of elected or appointed officers to compensate them for performing assessing duties. However, in any calendar year no officer or employee may receive a salary and additional salary supplements which exceed the salary fixed for that officer or employee under subsection (b):

~~(f)~~ (d) If a change in the mileage allowance paid to state officers and employees is established by July 1 of any year, that change shall be included in the compensation fixed for the township executive and assessor under this section, to take effect January 1 of the next year. However, the township legislative body may by ordinance provide for the change in the sum per mile to take effect before January 1 of the next year.

~~(g)~~ (e) The township legislative body may not reduce the salary of the township executive without the consent of the



township executive during the term of office of the township executive as set forth in IC 36-6-4-2.

(~~(f)~~) (f) This subsection applies when a township executive dies or resigns from office. The person filling the vacancy of the township executive shall receive at least the same salary the previous township executive received for the remainder of the unexpired term of office of the township executive (as set forth in IC 36-6-4-2), unless the person consents to a reduction in salary.

(~~(g)~~) (g) In a year in which there is not an election of members to the township legislative body, the township legislative body may by unanimous vote reduce the salaries of the members of the township legislative body by any amount."

Delete pages 603 through 606.

Page 607, delete lines 1 through 10.

Page 609, delete lines 17 through 42, begin a new paragraph and insert:

"SECTION 706. IC 36-7-11.2-58, AS AMENDED BY P.L.219-2007, SECTION 122, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 58. (a) A person who has filed a petition under section 56 or 57 of this chapter shall, not later than ten (10) days after the filing, serve notice upon all interested parties. The notice must state the following:

(1) The full name and address of the following:

(A) The petitioner.

(B) Each attorney acting for and on behalf of the petitioner.

(2) The street address of the Meridian Street and bordering property for which the petition was filed.

(3) The name of the owner of the property.

(4) The full name and address of, and the type of business, if any, conducted by:

(A) each person who at the time of the filing is a party to; and

(B) each person who is a disclosed or an undisclosed principal for whom the party was acting as agent in entering into;

a contract of sale, lease, option to purchase or lease, agreement to build or develop, or other written agreement of any kind or nature concerning the subject property or the present or future ownership, use, occupancy, possession, or development of the subject property.

(5) A description of the contract of sale, lease, option to purchase or lease, agreement to build or develop, or other written agreement sufficient to disclose the full nature of the interest of the party or of the party's principal in the subject property or in the present or future ownership, use, occupancy, possession, or development of the subject property.

(6) A description of the proposed use for which the rezoning or zoning variance is sought, sufficiently detailed to appraise the notice recipient of the true character, nature, extent, and physical properties of the proposed use.

(7) The date of the filing of the petition.

(8) The date, time, and place of the next regular meeting of the commission if a petition is for approval of a zoning variance. If a petition is filed with the development commission, the notice does not have to specify the date of

a hearing before the commission or the development commission. However, the person filing the petition shall give ten (10) days notice of the date, time, and place of a hearing before the commission on the petition after the referral of the petition to the commission by the development commission.

(b) For purposes of giving notice to the interested parties who are owners, the records in the bound volumes of the recent real estate tax assessment records as the records appear in

~~(1) the offices of the township assessors; or~~

~~(2) the office of the county assessor~~

as of the date of filing are considered determinative of the persons who are owners.

SECTION 707. IC 36-7-11.3-6, AS AMENDED BY P.L.219-2007, SECTION 123, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6. As used in this chapter, "notice" means written notice:

(1) served personally upon the person, official, or office entitled to the notice; or

(2) served upon the person, official, or office by placing the notice in the United States mail, first class postage prepaid, properly addressed to the person, official, or office. Notice is considered served if mailed in the manner prescribed by this subdivision properly addressed to the following:

(A) The governor, both to the address of the governor's official residence and to the governor's executive office in Indianapolis.

(B) The Indiana department of transportation, to the commissioner.

(C) The department of natural resources, both to the director of the department and to the director of the department's division of historic preservation and archeology.

(D) The municipal plan commission.

(E) An occupant, to:

(i) the person by name; or

(ii) if the name is unknown, the "Occupant" at the address of the primary or secondary property occupied by the person.

(F) An owner, to the person by the name shown to be the name of the owner, and at the person's address, as appears in the records in the bound volumes of the most recent real estate tax assessment records as the records appear in

~~(i) the offices of the township assessors or~~

~~(ii) the office of the county assessor.~~

(G) The society, to the organization at the latest address as shown in the records of the commission.

SECTION 708. IC 36-7-11.3-52, AS AMENDED BY P.L.219-2007, SECTION 124, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 52. (a) A person who has filed a petition under section 50 or 51 of this chapter shall, not later than ten (10) days after the filing, serve notice upon all interested parties. The notice must state the following:

(1) The full name and address of the following:

(A) The petitioner.

(B) Each attorney acting for and on behalf of the petitioner.

(2) The street address of the primary and secondary property for which the petition was filed.

(3) The name of the owner of the property.

(4) The full name and address of and the type of business, if any, conducted by:

(A) each person who at the time of the filing is a party to; and

(B) each person who is a disclosed or an undisclosed principal for whom the party was acting as agent in entering into;

a contract of sale, lease, option to purchase or lease, agreement to build or develop, or other written agreement of any kind or nature concerning the subject property or the present or future ownership, use, occupancy, possession, or development of the subject property.

(5) A description of the contract of sale, lease, option to purchase or lease, agreement to build or develop, or other written agreement sufficient to disclose the full nature of the interest of the party or of the party's principal in the subject property or in the present or future ownership, use, occupancy, possession, or development of the subject property.

(6) A description of the proposed use for which the rezoning or zoning variance is sought, sufficiently detailed to appraise the notice recipient of the true character, nature, extent, and physical properties of the proposed use.

(7) The date of the filing of the petition.

(8) The date, time, and place of the next regular meeting of the commission if a petition is for approval of a zoning variance. If a petition is filed with the development commission, the notice does not have to specify the date of a hearing before the commission or the development commission. However, the person filing the petition shall give ten (10) days notice of the date, time, and place of a hearing before the commission on the petition after the referral of the petition to the commission by the development commission.

(b) For purposes of giving notice to the interested parties who are owners, the records in the bound volumes of the recent real estate tax assessment records as the records appear in

~~(1) the offices of the township assessors; or~~

~~(2) the office of the county assessor~~

as of the date of filing are considered determinative of the persons who are owners."

Delete pages 610 through 611.

Page 612, delete lines 1 through 20.

Page 684, delete lines 3 through 22, begin a new paragraph and insert:

"SECTION 745. IC 36-7-15.1-32, AS AMENDED BY P.L.219-2007, SECTION 130, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 32. (a) The commission must establish a program for housing. The program, which may include such elements as the commission considers appropriate, must be adopted as part of a redevelopment plan or amendment to a redevelopment plan, and must establish an allocation area for purposes of sections 26 and 35 of this chapter

for the accomplishment of the program.

(b) The notice and hearing provisions of sections 10 and 10.5 of this chapter apply to the resolution adopted under subsection (a). Judicial review of the resolution may be made under section 11 of this chapter.

(c) Before formal submission of any housing program to the commission, the department shall consult with persons interested in or affected by the proposed program and provide the affected neighborhood associations, residents, ~~township assessors~~ and the county assessor with an adequate opportunity to participate in an advisory role in planning, implementing, and evaluating the proposed program. The department may hold public meetings in the affected neighborhood to obtain the views of neighborhood associations and residents."

Page 710, delete lines 21 through 42, begin a new paragraph and insert:

"SECTION 758. IC 36-7-30-31, AS AMENDED BY P.L.219-2007, SECTION 136, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 31. (a) As used in this section, the following terms have the meanings set forth in IC 6-1.1-1:

(1) Assessed value.

(2) Owner.

(3) Person.

(4) Personal property.

(5) Property taxation.

(6) Tangible property.

(7) Township assessor.

(b) As used in this section, "PILOTS" means payments in lieu of taxes.

(c) The general assembly finds the following:

(1) That the closing of a military base in a unit results in an increased cost to the unit of providing governmental services to the area formerly occupied by the military base.

(2) That military base property held by a reuse authority is exempt from property taxation, resulting in the lack of an adequate tax base to support the increased governmental services.

(3) That to restore this tax base and provide a proper allocation of the cost of providing governmental services the fiscal body of the unit should be authorized to collect PILOTS from the reuse authority.

(4) That the appropriate maximum PILOTS would be the amount of the property taxes that would be paid if the tangible property were not exempt.

(d) The fiscal body of the unit may adopt an ordinance to require a reuse authority to pay PILOTS at times set forth in the ordinance with respect to tangible property of which the reuse authority is the owner or the lessee and that is exempt from property taxes. The ordinance remains in full force and effect until repealed or modified by the fiscal body.

(e) The PILOTS must be calculated so that the PILOTS do not exceed the amount of property taxes that would have been levied by the fiscal body for the unit upon the tangible property described in subsection (d) if the property were not exempt from property taxation.

(f) PILOTS shall be imposed as are property taxes and shall be based on the assessed value of the tangible property described

in subsection (d). ~~Except as provided in subsection (j);~~ The township assessors **county assessor** shall assess the tangible property described in subsection (d) as though the property were not exempt. The reuse authority shall report the value of personal property in a manner consistent with IC 6-1.1-3.

(g) Notwithstanding any other law, a reuse authority is authorized to pay PILOTS imposed under this section from any legally available source of revenues. The reuse authority may consider these payments to be operating expenses for all purposes.

(h) PILOTS shall be deposited in the general fund of the unit and used for any purpose for which the general fund may be used.

(i) PILOTS shall be due as set forth in the ordinance and bear interest, if unpaid, as in the case of other taxes on property. PILOTS shall be treated in the same manner as property taxes for purposes of all procedural and substantive provisions of law.

~~(j) If the duties of the township assessor have been transferred to the county assessor as described in IC 6-1.1-1-24, a reference to the township assessor in this section is considered to be a reference to the county assessor."~~

Page 711, delete lines 1 through 37.

Page 718, delete lines 20 through 42, begin a new paragraph and insert:

"SECTION 761. IC 36-7-30.5-34, AS AMENDED BY P.L.219-2007, SECTION 139, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 34. (a) As used in this section, the following terms have the meanings set forth in IC 6-1.1-1:

- (1) Assessed value.
- (2) Owner.
- (3) Person.
- (4) Personal property.
- (5) Property taxation.
- (6) Tangible property.
- (7) Township assessor.

(b) As used in this section, "PILOTS" means payments in lieu of taxes.

(c) The general assembly finds the following:

- (1) That the closing of a military base in a unit results in an increased cost to the unit of providing governmental services to the area formerly occupied by the military base.
- (2) That military base property held by a development authority is exempt from property taxation, resulting in the lack of an adequate tax base to support the increased governmental services.
- (3) That to restore this tax base and provide a proper allocation of the cost of providing governmental services the fiscal body of the unit should be authorized to collect PILOTS from the development authority.
- (4) That the appropriate maximum PILOTS would be the amount of the property taxes that would be paid if the tangible property were not exempt.

(d) The fiscal body of the unit may adopt an ordinance to require a development authority to pay PILOTS at times set forth in the ordinance with respect to tangible property of which the development authority is the owner or the lessee and that is

exempt from property taxes. The ordinance remains in full force and effect until repealed or modified by the fiscal body.

(e) The PILOTS must be calculated so that the PILOTS do not exceed the amount of property taxes that would have been levied by the fiscal body for the unit upon the tangible property described in subsection (d) if the property were not exempt from property taxation.

(f) PILOTS shall be imposed as are property taxes and shall be based on the assessed value of the tangible property described in subsection (d). ~~Except as provided in subsection (j);~~ The township assessors **county assessor** shall assess the tangible property described in subsection (d) as though the property were not exempt. The development authority shall report the value of personal property in a manner consistent with IC 6-1.1-3.

(g) Notwithstanding any other law, a development authority is authorized to pay PILOTS imposed under this section from any legally available source of revenues. The development authority may consider these payments to be operating expenses for all purposes.

(h) PILOTS shall be deposited in the general fund of the unit and used for any purpose for which the general fund may be used.

(i) PILOTS shall be due as set forth in the ordinance and bear interest, if unpaid, as in the case of other taxes on property. PILOTS shall be treated in the same manner as property taxes for purposes of all procedural and substantive provisions of law.

~~(j) If the duties of the township assessor have been transferred to the county assessor as described in IC 6-1.1-1-24, a reference to the township assessor in this section is considered to be a reference to the county assessor."~~

Page 719, delete lines 1 through 36.

Page 735, delete lines 24 through 42, begin a new paragraph and insert:

"SECTION 777. IC 36-9-11.1-11, AS AMENDED BY P.L.219-2007, SECTION 143, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 11. (a) All property of every kind, including air rights, acquired for off-street parking purposes, and all its funds and receipts, are exempt from taxation for all purposes. When any real property is acquired by the consolidated city, the county auditor shall, upon certification of that fact by the board, cancel all taxes then a lien. The certificate of the board must specifically describe the real property, including air rights, and the purpose for which acquired.

(b) A lessee of the city may not be assessed any tax upon any land, air rights, or improvements leased from the city, but the separate leasehold interest has the same status as leases on taxable real property, notwithstanding any other law. ~~Except as provided in subsection (c);~~ Whenever the city sells any such property to anyone for private use, the property becomes liable for all taxes after that, as other property is so liable and is assessed, and the board shall report all such sales to the **township county** assessor, who shall cause the property to be upon the proper tax records.

~~(c) If the duties of the township assessor have been transferred to the county assessor as described in IC 6-1.1-1-24, a reference to the township assessor in this section is considered to be a reference to the county assessor."~~

Page 736, delete lines 1 through 5.

Page 745, line 36, after "2008:]" insert "IC 3-10-2-14; IC 3-13-10-3;".

Page 745, line 36, after "IC 6-1.1-1-5.5;" insert "IC 6-1.1-1-22;".

Page 745, line 36, after "IC 6-1.1-1-22.7;" insert "IC 6-1.1-1-24;".

Page 745, line 37, after "IC 6-1.1-4-13.8;" insert "IC 6-1.1-12-41; IC 6-1.1-35-4; IC 6-1.1-35-5;".

Page 745, line 37, delete "IC 6-1.1-35.5-9." and insert "IC 6-1.1-35.5-9; IC 36-6-5; IC 36-6-8-5.".

Page 745, line 39, after "2009]" insert ":".

Page 762, line 3, delete "IC 36-6-5-2(a).".

Page 762, line 4, delete "as amended by".

Page 762, delete lines 21 through 31, begin a new paragraph and insert:

"SECTION 814. [EFFECTIVE UPON PASSAGE] (a) **IC 3-13-11 does not apply to a vacancy in the office of an elected township assessor that occurs after the effective date of this SECTION and before July 1, 2008.**

(b) **This SECTION expires July 1, 2008.**".

Page 763, line 18, delete "IC 6-1.1 or IC 36-6-5, before their amendment" and insert "**IC 6-1.1, before its amendment by this act, or IC 36-6-5, before its repeal**".

Page 765, delete lines 1 through 14.

Renumber all SECTIONS consecutively.

(Reference is to EHB 1001 as printed February 20, 2008.)

#### LUBBERS

Upon request of Senator Lanane the President ordered the roll of the Senate to be called. Roll Call 239: yeas 23, nays 23.

Motion failed.

5:05 p.m.

The Chair declared a recess until the fall of the gavel.

#### RECESS

The Senate reconvened at 5:16 p.m., with the President of the Senate in the Chair.

#### SENATE MOTION (Amendment 1001-16)

Madam President: I move that Engrossed House Bill 1001 be amended to read as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Page 1, delete lines 1 through 16, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-12-0.7, AS AMENDED BY P.L.99-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 0.7. Any individual who is sixty-five (65) years of age, is blind, or has a disability (within the meaning of section 11 of this chapter

(before its repeal)) may appoint an individual eighteen (18) years of age or older to act on the individual's behalf for purposes of filing property tax deduction statements for any deductions provided by this chapter. If a statement is filed by an appointee, the appointee's name, address, and telephone number must be included in the statement.

SECTION 2. IC 6-1.1-12-17.8, AS AMENDED BY P.L.95-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 17.8. (a) An individual who receives a deduction provided under section 1, ~~9; 11;~~ 13, 14, 16, or 17.4 of this chapter in a particular year and who remains eligible for the deduction in the following year is not required to file a statement to apply for the deduction in the following year.

(b) An individual who receives a deduction provided under section 1, ~~9; 11;~~ 13, 14, 16, or 17.4 of this chapter in a particular year and who becomes ineligible for the deduction in the following year shall notify the auditor of the county in which the real property, mobile home, or manufactured home for which the individual claims the deduction is located of the individual's ineligibility before June 11 of the year in which the individual becomes ineligible.

(c) The auditor of each county shall, in a particular year, apply a deduction provided under section 1, ~~9; 11;~~ 13, 14, 16, or 17.4 of this chapter to each individual who received the deduction in the preceding year unless the auditor determines that the individual is no longer eligible for the deduction.

(d) An individual who receives a deduction provided under section 1, ~~9; 11;~~ 13, 14, 16, or 17.4 of this chapter for property that is jointly held with another owner in a particular year and remains eligible for the deduction in the following year is not required to file a statement to reapply for the deduction following the removal of the joint owner if:

- (1) the individual is the sole owner of the property following the death of the individual's spouse;
- (2) the individual is the sole owner of the property following the death of a joint owner who was not the individual's spouse; or
- (3) the individual is awarded sole ownership of the property in a divorce decree.

(e) A trust entitled to a deduction under section ~~9; 11;~~ 13, 14, 16, or 17.4 of this chapter for real property owned by the trust and occupied by an individual in accordance with section 17.9 of this chapter is not required to file a statement to apply for the deduction, if:

- (1) the individual who occupies the real property receives a deduction provided under section ~~9; 11;~~ 13, 14, 16, or 17.4 of this chapter in a particular year; and
- (2) the trust remains eligible for the deduction in the following year.

SECTION 3. IC 6-1.1-12-17.9, AS ADDED BY P.L.95-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 17.9. A trust is entitled to a deduction under section ~~9; 11;~~ 13, 14, 16, or 17.4 of this chapter for real property owned by the trust and occupied by an individual if the county auditor determines that the individual:

- (1) upon verification in the body of the deed or otherwise, has a beneficial interest in the trust;

- (2) otherwise qualifies for the deduction; and
- (3) would be considered the owner of the real property under IC 6-1.1-1-9(f).

SECTION 4. IC 6-1.1-12-43 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 43. (a) For purposes of this section:

- (1) "benefit" refers to:
  - (A) a deduction under section 1, ~~9, 11~~, 13, 14, 16, 17.4, 26, 29, 31, 33, or 34 of this chapter; or
  - (B) the homestead credit under IC 6-1.1-20.9-2;
- (2) "closing agent" means a person that closes a transaction;
- (3) "customer" means an individual who obtains a loan in a transaction; and
- (4) "transaction" means a single family residential:
  - (A) first lien purchase money mortgage transaction; or
  - (B) refinancing transaction.

(b) Before closing a transaction after December 31, 2004, a closing agent must provide to the customer the form referred to in subsection (c).

(c) Before June 1, 2004, the department of local government finance shall prescribe the form to be provided by closing agents to customers under subsection (b). The department shall make the form available to closing agents, county assessors, county auditors, and county treasurers in hard copy and electronic form. County assessors, county auditors, and county treasurers shall make the form available to the general public. The form must:

- (1) on one (1) side:
    - (A) list each benefit;
    - (B) list the eligibility criteria for each benefit; and
    - (C) indicate that a new application for a deduction under section 1 of this chapter is required when residential real property is refinanced;
  - (2) on the other side indicate:
    - (A) each action by; and
    - (B) each type of documentation from;
- the customer required to file for each benefit; and
- (3) be printed in one (1) of two (2) or more colors prescribed by the department of local government finance that distinguish the form from other documents typically used in a closing referred to in subsection (b).

(d) A closing agent:

- (1) may reproduce the form referred to in subsection (c);
- (2) in reproducing the form, must use a print color prescribed by the department of local government finance; and
- (3) is not responsible for the content of the form referred to in subsection (c) and shall be held harmless by the department of local government finance from any liability for the content of the form.

(e) A closing agent to which this section applies shall document its compliance with this section with respect to each transaction in the form of verification of compliance signed by the customer.

(f) A closing agent is subject to a civil penalty of twenty-five dollars (\$25) for each instance in which the closing agent fails to comply with this section with respect to a customer. The penalty:

- (1) may be enforced by the state agency that has administrative jurisdiction over the closing agent in the same manner that the agency enforces the payment of fees or other penalties payable to the agency; and
- (2) shall be paid into the property tax replacement fund.

A closing agent is not liable for any other damages claimed by a customer because of the closing agent's mere failure to provide the appropriate document to the customer.

(g) The state agency that has administrative jurisdiction over a closing agent shall:

- (1) examine the closing agent to determine compliance with this section; and
- (2) impose and collect penalties under subsection (f).

SECTION 5. IC 6-1.1-12-44 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 44. A deduction under this chapter, other than a deduction under section 1 of this chapter, does not apply to a homestead (as defined in IC 6-1.1-20.9-1) or tangible property described in IC 6-1.1-20-2(g). This chapter, except section 1 of this chapter, does not apply to residential property that would qualify as a homestead (as defined in IC 6-1.1-20.9-1) or tangible property described in IC 6-1.1-20-2(g) if an individual or owner filed for a homestead credit under IC 6-1.1-20.9.**

SECTION 6. IC 6-1.1-12.1-16 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 16. A deduction under this chapter does not apply to a homestead (as defined in IC 6-1.1-20.9-1) or tangible property described in IC 6-1.1-20-2(g). This chapter does not apply to residential property that would qualify as a homestead (as defined in IC 6-1.1-20.9-1) or tangible property described in IC 6-1.1-20-2(g) if an individual or owner filed for a homestead credit under IC 6-1.1-20.9.**

SECTION 7. IC 6-1.1-20.9-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 0.5. (a) As used in this chapter, "household" means, for any individual and for any taxable year:**

- (1) the individual; and**
- (2) other persons residing with the individual in the principal dwelling at any time during the taxable year for thirty (30) or more days in the taxable year.**

**A person who is hired as a bona fide employee to provide personal care to a member of the household and who is not related to the person for whom the care is provided shall not be considered to be a member of the household.**

**(b) As used in this chapter, "household income" means federal adjusted gross income received in the taxable year:**

- (1) including an assessment date, if the homestead is taxed as real property; and**
- (2) immediately preceding the taxable year, including an assessment date, if the homestead is a manufactured home or mobile home taxed as personal property;**

**by all individuals of a household while members of that household.**

(c) As used in this chapter, "federal adjusted gross income" means adjusted gross income (as defined in Section 62 of the Internal Revenue Code).

SECTION 8. IC 6-1.1-20.9-2, AS AMENDED BY P.L.224-2007, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. (a) Except as otherwise provided in section 5 of this chapter, an individual who on March 1 of a particular year either owns or is buying a homestead under a contract that provides the individual is to pay the property taxes on the homestead is entitled each calendar year to a credit against the property taxes which the individual pays on the individual's homestead. However, only one (1) individual may receive a credit under this chapter for a particular homestead in a particular year.

(b) The amount of the credit to which the individual is entitled equals the product of:

- (1) the percentage prescribed in subsection (d); multiplied by
- (2) the amount of the individual's property tax liability **(limited only for assessment dates before January 16, 2008, as that term is defined in IC 6-1.1-21-5) which that** is

~~(A) attributable to the homestead during the particular calendar year. and~~

~~(B) determined after the application of the property tax replacement credit under IC 6-1.1-21.~~

(c) For purposes of determining that part of an individual's property tax liability that is attributable to the individual's homestead, ~~all deductions from assessed valuation which the individual claims under IC 6-1.1-12 or IC 6-1.1-12.1 a~~ **deduction from assessed value under IC 6-1.1-12-1** for property on which the individual's homestead is located must be applied first against the assessed value of the individual's homestead before those deductions are applied against any other property. **A homestead credit granted under this chapter applies before any additional credits granted under this article or IC 6-3.5 in the manner prescribed by the department of local government finance.**

(d) The percentage of the credit referred to in subsection (b)(1) ~~is as follows: for assessment dates before January 16, 2008, twenty percent (20%).~~

YEAR	PERCENTAGE OF THE CREDIT
1996	8%
1997	6%
1998 through 2002	10%
2003 through 2005	20%
2006	28%
2007 and thereafter	20%

The percentage of the credit referred to in subsection (b)(1) is the following for assessment dates after January 15, 2008:

- (1) Ninety percent (90%), if the individual's household income is less than thirty-five thousand dollars (\$35,000).
- (2) Seventy-five percent (75%), if the individual's household income is at least thirty-five thousand dollars (\$35,000) but less than fifty thousand dollars (\$50,000).
- (3) Sixty-two percent (62%), if the individual's

household income is at least fifty thousand dollars (\$50,000) but less than seventy-five thousand dollars (\$75,000).

(4) Fifty-two percent (52%), if the individual's household income is at least seventy-five thousand dollars (\$75,000) but less than one hundred thousand dollars (\$100,000).

(5) Forty percent (40%), if the individual's household income is one hundred thousand dollars (\$100,000) or more.

However, the percentage credit allowed in a particular county for a particular year shall be increased if on January 1 of a year an ordinance adopted by a county income tax council was in effect in the county which increased the homestead credit. The amount of the increase equals the amount designated in the ordinance.

(e) Before October 1 of each year, the assessor shall furnish to the county auditor the amount of the assessed valuation of each homestead for which a homestead credit has been properly filed under this chapter.

(f) The county auditor shall apply the credit ~~equally to each~~ **equally to each** installment of taxes that the individual pays for the property: **as provided under section 7 of this chapter.**

(g) Notwithstanding the provisions of this chapter, a taxpayer other than an individual is entitled to the credit provided by this chapter if:

- (1) an individual uses the residence as the individual's principal place of residence;
- (2) the residence is located in Indiana;
- (3) the individual has a beneficial interest in the taxpayer;
- (4) the taxpayer either owns the residence or is buying it under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; and
- (5) the residence consists of a single-family dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

SECTION 9. IC 6-1.1-20.9-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 7. (a) The department of state revenue shall establish a program to certify to individuals the homestead percentage that applies to the individual under section 2 of this chapter. The department of local government finance may require an individual to provide the information required by the department of state revenue to determine the credit.**

(b) The department of state revenue shall compute the credit to which an individual is entitled under this chapter and certify the percentage to the individual and the county auditor where the individual's homestead is located.

(c) An individual may reduce each installment of the property tax liability paid for a homestead for any assessment date after January 15, 2008, by the percentage certified by the department of state revenue if the individual provides to the county auditor with the individual's payment a copy of the homestead credit percentage determination made by the department of state revenue. The individual may obtain a refund of any amount paid in excess of the amount due after applying the individual's homestead credit by

**submitting an application for a refund that includes a copy of the homestead credit percentage determination made by the department of state revenue.**

**(d) The county auditor shall include in the statements issued or transmitted under IC 6-1.1-22-8 or IC 6-1.1-22.5 instructions on how to apply a credit granted under this chapter.**

**(e) The department of local government finance may adopt rules under IC 4-22-2 and prescribe standards and procedures to implement this chapter.**

SECTION 10. IC 6-1.1-21-2, AS AMENDED BY P.L.1-2007, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. As used in this chapter:

(a) "Taxpayer" means a person who is liable for taxes on property assessed under this article.

(b) "Taxes" means property taxes payable in respect to property assessed under this article. The term does not include special assessments, penalties, or interest, but does include any special charges which a county treasurer combines with all other taxes in the preparation and delivery of the tax statements required under IC 6-1.1-22-8(a).

(c) "Department" means the department of state revenue.

(d) "Auditor's abstract" means the annual report prepared by each county auditor which under IC 6-1.1-22-5 is to be filed each year with the auditor of state.

(e) "Mobile home assessments" means the assessments of mobile homes made under IC 6-1.1-7.

(f) "Postabstract adjustments" means adjustments in taxes made subsequent to the filing of an auditor's abstract which change assessments therein or add assessments of omitted property affecting taxes for such assessment year.

(g) "Total county tax levy" means the sum of:

(1) the remainder of:

(A) the aggregate levy of all taxes for all taxing units in a county which are to be paid in the county for a stated assessment year as reflected by the auditor's abstract for the assessment year, adjusted, however, for any postabstract adjustments which change the amount of the aggregate levy; minus

(B) the sum of any increases in property tax levies of taxing units of the county that result from appeals described in:

(i) IC 6-1.1-18.5-13(4) and IC 6-1.1-18.5-13(5) filed after December 31, 1982; plus

(ii) the sum of any increases in property tax levies of taxing units of the county that result from any other appeals described in IC 6-1.1-18.5-13 filed after December 31, 1983; plus

(iii) IC 6-1.1-18.6-3 (children in need of services and delinquent children who are wards of the county) (before its repeal); minus

(C) the total amount of property taxes imposed for the stated assessment year by the taxing units of the county under the authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed), IC 12-19-5, or IC 12-20-24; minus

(D) the total amount of property taxes to be paid during

the stated assessment year that will be used to pay for interest or principal due on debt that:

(i) is entered into after December 31, 1983;

(ii) is not debt that is issued under IC 5-1-5 to refund debt incurred before January 1, 1984; and

(iii) does not constitute debt entered into for the purpose of building, repairing, or altering school buildings for which the requirements of IC 20-5-52 (repealed) were satisfied prior to January 1, 1984; minus

(E) the amount of property taxes imposed in the county for the stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(F) the remainder of:

(i) the total property taxes imposed in the county for the stated assessment year under authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(ii) the total property taxes imposed in the county for the 1984 stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(G) the amount of property taxes imposed in the county for the stated assessment year under:

(i) IC 21-2-15 (before its repeal) or IC 20-46-6 for a capital projects fund; plus

(ii) IC 6-1.1-19-10 (before its repeal) or IC 20-46-3 for a racial balance fund; plus

(iii) IC 36-12-12 for a library capital projects fund; plus

(iv) IC 36-10-13-7 for an art association fund; plus

(v) IC 21-2-17 (before its repeal) or IC 20-46-2 for a special education preschool fund; plus

(vi) IC 21-2-11.6 (before its repeal) or IC 20-46-1 for a referendum tax levy fund; plus

(vii) an appeal filed under IC 6-1.1-19-5.1 (before its repeal) or IC 20-45-6-8 for an increase in a school corporation's maximum permissible tuition support levy for certain transfer tuition costs; plus

(viii) an appeal filed under IC 6-1.1-19-5.4 (before its repeal) or IC 20-46-4-10 for an increase in a school corporation's maximum permissible transportation fund levy for transportation operating costs; minus

(H) the amount of property taxes imposed by a school corporation that is attributable to the passage, after 1983, of a referendum for an excessive tax levy under IC 6-1.1-19-4.5 (before its repeal), including any increases in these property taxes that are attributable to

the adjustment set forth in IC 6-1.1-19-1.5 (before its repeal), IC 20-45-3, or any other law; minus

(I) for each township in the county, the lesser of:

(i) the sum of the amount determined in IC 6-1.1-18.5-19(a) STEP THREE (as effective January 1, 1990) or IC 6-1.1-18.5-19(b) STEP THREE (as effective January 1, 1990), whichever is applicable, plus the part, if any, of the township's ad valorem property tax levy for calendar year 1989 that represents increases in that levy that resulted from an appeal described in IC 6-1.1-18.5-13(4) (as effective before January 1, 1989), filed after December 31, 1982; or

(ii) the amount of property taxes imposed in the township for the stated assessment year under the authority of IC 36-8-13-4; minus

(J) for each participating unit in a fire protection territory established under IC 36-8-19-1, the amount of property taxes levied by each participating unit under IC 36-8-19-8 and IC 36-8-19-8.5 less the maximum levy limit for each of the participating units that would have otherwise been available for fire protection services under IC 6-1.1-18.5-3 and IC 6-1.1-18.5-19 for that same year; minus

(K) for each county, the sum of:

(i) the amount of property taxes imposed in the county for the repayment of loans under IC 12-19-5-6 (repealed) that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN (as effective January 1, 1995) for property taxes payable in 1995, or for property taxes payable in each year after 1995, the amount determined under IC 12-19-7-4(b) (as effective before March 16, 2004) and IC 12-19-7-4 (as effective after March 15, 2004); and

(ii) the amount of property taxes imposed in the county attributable to appeals granted under IC 6-1.1-18.6-3 (before its repeal) that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN (as effective January 1, 1995) for property taxes payable in 1995, or the amount determined under IC 12-19-7-4(b) (as effective before March 16, 2004) and IC 12-19-7-4 (as effective after March 15, 2004) for property taxes payable in each year after 1995; plus

(2) all taxes to be paid in the county in respect to mobile home assessments currently assessed for the year in which the taxes stated in the abstract are to be paid; plus

(3) the amounts, if any, of county adjusted gross income taxes that were applied by the taxing units in the county as property tax replacement credits to reduce the individual levies of the taxing units for the assessment year, as provided in IC 6-3.5-1.1; plus

(4) the amounts, if any, by which the maximum permissible ad valorem property tax levies of the taxing units of the county were reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated assessment year; plus

(5) the difference between:

(A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR; minus

(B) the amount the civil taxing units' levies were increased because of the reduction in the civil taxing units' base year certified shares under IC 6-1.1-18.5-3(e).

(h) "December settlement sheet" means the certificate of settlement filed by the county auditor with the auditor of state, as required under IC 6-1.1-27-3.

(i) "Tax duplicate" means the roll of property taxes that each county auditor is required to prepare each year under IC 6-1.1-22-3.

(j) "Eligible property tax replacement amount" is, except as otherwise provided by law, equal to the sum of the following:

(1) Sixty percent (60%) of the total county tax levy imposed by each school corporation in a county for its general fund for a stated assessment year **imposed on tangible property, except homesteads.**

(2) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on real property for a stated assessment year, **except homesteads.**

(3) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on tangible personal property, excluding business personal property **and homesteads**, for an assessment year.

(k) "Business personal property" means tangible personal property (other than real property) that is being:

(1) held for sale in the ordinary course of a trade or business; or

(2) held, used, or consumed in connection with the production of income.

(l) "Taxpayer's property tax replacement credit amount" means, except as otherwise provided by law, the sum of the following:

(1) Sixty percent (60%) of a taxpayer's tax liability in a calendar year for taxes imposed by a school corporation for its general fund for a stated assessment year **on tangible property other than a homestead.**

(2) Twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on real property **other than a homestead.**

(3) Twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on tangible personal property other than business personal property **or a homestead.**

(m) "Tax liability" means tax liability as described in section 5 of this chapter.

(n) "General school operating levy" means the ad valorem property tax levy of a school corporation in a county for the school corporation's general fund.



(o) "Board" refers to the property tax replacement fund board established under section 10 of this chapter.

(p) **"Homestead" refers to a homestead (as defined in IC 6-1.1-20.9-1) or tangible property described in IC 6-1.1-20-2(g). The term includes residential property that would qualify as a homestead (as defined in IC 6-1.1-20.9-1) or tangible property described in IC 6-1.1-20-2(g) if an individual or owner filed for a homestead credit under IC 6-1.1-20.9."**

Delete pages 2 through 294.

Page 295, delete lines 1 through 24.

Page 300, delete lines 7 through 42, begin a new paragraph and insert:

"SECTION 17. IC 6-3-2-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 6. (a) Each taxable year, an individual who rents a dwelling for use as the individual's principal place of residence may deduct from the individual's adjusted gross income (as defined in IC 6-3-1-3.5(a)), the lesser of:

- (1) the amount of rent paid by the individual with respect to the dwelling during the taxable year; or
- (2) ~~two five thousand five hundred dollars (\$2,500):~~ **(\$5,000).**

(b) Notwithstanding subsection (a), a husband and wife filing a joint adjusted gross income tax return for a particular taxable year may not claim a deduction under this section of more than ~~two five thousand five hundred dollars (\$2,500):~~ **(\$5,000).**

(c) The deduction provided by this section does not apply to an individual who rents a dwelling that is exempt from Indiana property tax.

(d) For purposes of this section, a "dwelling" includes a single family dwelling and unit of a multi-family dwelling.

SECTION 18. IC 6-3.1-21-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 6. (a) An individual who is eligible for an earned income tax credit under Section 32 of the Internal Revenue Code is eligible for a credit under this chapter equal to ~~six percent (6%)~~ **nine percent (9%)** of the amount of the federal earned income tax credit that the individual:

- (1) is eligible to receive in the taxable year; and
- (2) claimed for the taxable year;

under Section 32 of the Internal Revenue Code.

(b) If the credit amount exceeds the taxpayer's adjusted gross income tax liability for the taxable year, the excess, less any advance payments of the credit made by the taxpayer's employer under IC 6-3-4-8 that reduce the excess, shall be refunded to the taxpayer.

SECTION 19. IC 8-9.5-8-17, AS AMENDED BY P.L.99-2007, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 17. The authority shall study and implement programs to assist in the transportation of military veterans or individuals with a disability (as defined in IC 6-1.1-12-11 **(before its repeal)**) who travel on a toll road to or from a hospital for treatment. However, a program may not be inconsistent with the trust indenture securing the bonds of the toll road.

SECTION 20. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2009]: IC 6-1.1-12-9;

IC 6-1.1-12-10.1; IC 6-1.1-12-11; IC 6-1.1-12-12; IC 6-1.1-12-37.

SECTION 21. [EFFECTIVE UPON PASSAGE] (a) IC 6-1.1-20.9-2, as amended by this act, the repeal of IC 6-1.1-12-9, IC 6-1.1-12-11, and IC 6-1.1-12-37 by this act, and the elimination by this act of all other deductions for homesteads apply to property taxes imposed for an assessment date after January 15, 2008.

(b) IC 6-3-2-6 and IC 6-3.1-21-6, both as amended by this act, apply only to taxable years beginning after December 31, 2007."

Delete pages 301 through 768.

Page 769, delete lines 1 through 10.

Page 769, line 11, delete "(b)" and insert "(c)".

Page 769, line 32, delete "(c)" and insert "(d)".

Page 769, delete lines 38 through 42.

Delete pages 770 through 778.

Page 779, delete lines 1 through 7.

Renumber all SECTIONS consecutively.

(Reference is to EHB 1001 as printed February 20, 2008.)

SIMPSON

Upon request of Senator Broden the President ordered the roll of the Senate to be called. Roll Call 240: yeas 16, nays 30.

Motion failed.

#### SENATE MOTION (Amendment 1001-3)

Madam President: I move that Engrossed House Bill 1001 be amended to read as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 4-33-12-6, AS AMENDED BY P.L.233-2007, SECTION 16, AND AS AMENDED BY P.L.234-2007, SECTION 280, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. (a) The department shall place in the state general fund the tax revenue collected under this chapter.

(b) Except as provided by subsections (c) and (d), ~~and IC 6-3.1-20-7,~~ the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 during the quarter shall be paid to:

(A) the city in which the riverboat is docked, if the city:

- (i) is located in a county having a population of more than one hundred ten thousand (110,000) but less than one hundred fifteen thousand (115,000); or
- (ii) is contiguous to the Ohio River and is the largest city in the county; and

(B) the county in which the riverboat is docked, if the riverboat is not docked in a city described in clause (A).

(2) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21; shall be paid to the county in which the riverboat is docked. In the case of a county described in subdivision (1)(B), this one dollar (\$1) is in addition to the one dollar (\$1) received under subdivision (1)(B).

(3) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21; shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Except as provided in subsection (k), fifteen cents (\$0.15) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during a quarter that has implemented flexible scheduling under IC 4-33-6-21; shall be paid to the state fair commission, for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

(5) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21; shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(6) Except as provided in subsection (k) *and section 7 of this chapter*, sixty-five cents (\$0.65) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only

for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction, and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

(c) With respect to tax revenue collected from a riverboat located in a historic hotel district, the treasurer of state shall quarterly pay the following amounts:

(1) ~~Twenty-five~~ Twenty-two percent (~~25%~~) (22%) of the admissions tax collected during the quarter shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money received under this subdivision as follows:

(A) ~~Twenty~~ Twenty-two and seventy-five hundredths percent (~~20%~~) (22.75%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) ~~Twenty~~ Twenty-two and seventy-five hundredths percent (~~20%~~) (22.75%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) ~~Sixty~~ Fifty-four and five-tenths percent (~~60%~~) (54.5%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. ~~The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body.~~

~~(ii)~~ (2) Five percent (5%) of the admissions tax collected during the quarter shall be paid to a town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000). *At least twenty percent (20%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.*

~~(iii)~~ (3) Five percent (5%) of the admissions tax collected during the quarter shall be paid to a town having a

population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000). *At least twenty percent (20%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.*

~~(2) Sixteen~~ (4) Twenty percent ~~(16%)~~ (20%) of the admissions tax collected during the quarter shall be paid in equal amounts to each town that:

(A) is located in the county in which the riverboat docks; and

(B) contains a historic hotel.

*The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission. At least twenty percent (20%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.*

~~(3) Nine~~ (5) Ten percent ~~(9%)~~ (10%) of the admissions tax collected during the quarter shall be paid to the ~~historic hotel preservation~~ Orange County development commission established under IC 36-7-11.5. *At least one-third (1/3) of the taxes paid to the Orange County development commission under this subdivision must be transferred to the Orange County convention and visitors bureau.*

~~(4) Twenty-five~~ (6) Thirteen percent ~~(25%)~~ (13%) of the admissions tax collected during the quarter shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b).

~~(5) (7) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the Indiana economic development corporation to be used by the corporation for the development and implementation of a regional economic development strategy to assist the residents of the county in which the riverboat is located and residents of contiguous counties in improving their quality of life and to help promote successful and sustainable communities. The regional economic development strategy must include goals concerning the following issues:~~

(A) Job creation and retention.

(B) Infrastructure, including water, wastewater, and storm water infrastructure needs.

(C) Housing.

(D) Workforce training.

(E) Health care.

(F) Local planning.

(G) Land use.

(H) Assistance to regional economic development groups.

(I) Other regional development issues as determined by the Indiana economic development corporation.

(d) With respect to tax revenue collected from a riverboat that operates from a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000), the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21; shall be paid to the city in which the riverboat is docked.

(2) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21; shall be paid to the county in which the riverboat is docked.

(3) Except as provided in subsection (k), nine cents (\$0.09) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21; shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Except as provided in subsection (k), one cent (\$0.01) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21; shall be paid to the northwest Indiana law enforcement training center.

(5) Except as provided in subsection (k), fifteen cents (\$0.15) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during a quarter that has implemented flexible scheduling under IC 4-33-6-21; shall be paid to the state fair commission for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

(6) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21; shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(7) Except as provided in subsection (k) and section 7 of this chapter, sixty-five cents (\$0.65) of the admissions tax

collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction, and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

(e) Money paid to a unit of local government under subsection (b)(1) through (b)(2), (c)(1) through ~~(c)(2)~~, (c)(4), or (d)(1) through (d)(2):

(1) must be paid to the fiscal officer of the unit and may be deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both;

(2) may not be used to reduce the unit's maximum levy under IC 6-1.1-18.5 but may be used at the discretion of the unit to reduce the property tax levy of the unit for a particular year;

(3) may be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and

(4) is considered miscellaneous revenue.

(f) Money paid by the treasurer of state under subsection (b)(3) or (d)(3) shall be:

(1) deposited in:

(A) the county convention and visitor promotion fund; or

(B) the county's general fund if the county does not have a convention and visitor promotion fund; and

(2) used only for the tourism promotion, advertising, and economic development activities of the county and community.

(g) Money received by the division of mental health and addiction under subsections (b)(5) and (d)(6):

(1) is annually appropriated to the division of mental health and addiction;

(2) shall be distributed to the division of mental health and addiction at times during each state fiscal year determined by the budget agency; and

(3) shall be used by the division of mental health and addiction for programs and facilities for the prevention and treatment of addictions to drugs, alcohol, and compulsive gambling, including the creation and maintenance of a toll free telephone line to provide the public with information about these addictions. The division shall allocate at least twenty-five percent (25%) of the money received to the prevention and treatment of compulsive gambling.

(h) This subsection applies to the following:

(1) Each entity receiving money under subsection (b).

(2) Each entity receiving money under subsection (d)(1) through (d)(2).

(3) Each entity receiving money under subsection (d)(5) through (d)(7).

The treasurer of state shall determine the total amount of money paid by the treasurer of state to an entity subject to this subsection during the state fiscal year 2002. The amount determined under this subsection is the base year revenue for each entity subject to this subsection. The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(i) This subsection applies to an entity receiving money under subsection (d)(3) or (d)(4). The treasurer of state shall determine the total amount of money paid by the treasurer of state to the entity described in subsection (d)(3) during state fiscal year 2002. The amount determined under this subsection multiplied by nine-tenths (0.9) is the base year revenue for the entity described in subsection (d)(3). The amount determined under this subsection multiplied by one-tenth (0.1) is the base year revenue for the entity described in subsection (d)(4). The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(j) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the total amount of money distributed to an entity under this section during a state fiscal year may not exceed the entity's base year revenue as determined under subsection (h) or (i). If the treasurer of state determines that the total amount of money distributed to an entity under this section during a state fiscal year is less than the entity's base year revenue, the treasurer of state shall make a supplemental distribution to the entity under IC 4-33-13-5(g).

(k) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the treasurer of state shall pay that part of the riverboat admissions taxes that:

(1) ~~exceed~~ exceeds a particular entity's base year revenue; and

(2) would otherwise be due to the entity under this section; to the property tax replacement fund instead of to the entity.

SECTION 2. IC 4-33-13-5, AS AMENDED BY P.L.233-2007, SECTION 19, AND AS AMENDED BY P.L.234-2007, SECTION 281, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) This subsection does not apply to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue deposited in the state gaming fund under this chapter to the following:

(1) The first thirty-three million dollars (\$33,000,000) of tax revenues collected under this chapter shall be set aside for revenue sharing under subsection (e).

(2) Subject to subsection (c), twenty-five percent (25%) of the remaining tax revenue remitted by each licensed owner shall be paid:

(A) to the city that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of:

- (i) a city described in IC 4-33-12-6(b)(1)(A); or
- (ii) a city located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); or

(B) to the county that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of a riverboat whose home dock is not in a city described in clause (A).

(3) Subject to subsection (d), the remainder of the tax revenue remitted by each licensed owner shall be paid to the property tax replacement fund. In each state fiscal year, the treasurer of state shall make the transfer required by this subdivision not later than the last business day of the month in which the tax revenue is remitted to the state for deposit in the state gaming fund. However, if tax revenue is received by the state on the last business day in a month, the treasurer of state may transfer the tax revenue to the property tax replacement fund in the immediately following month.

(b) This subsection applies only to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue *deposited in the state gaming fund remitted by the operating agent* under this chapter as follows:

(1) Thirty-seven and one-half percent (37.5%) shall be paid to the property tax replacement fund established under IC 6-1.1-21.

(2) ~~Thirty-seven and one-half~~ Nineteen percent ~~(37.5%)~~ (19%) shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b). However, at any time the balance in that fund exceeds twenty million dollars (\$20,000,000), the amount described in this subdivision shall be paid to the property tax replacement fund established under IC 6-1.1-21.

(3) ~~Five Eight~~ percent ~~(5%)~~ (8%) shall be paid to the *historic hotel preservation Orange County development* commission established under IC 36-7-11.5.

(4) ~~Ten Sixteen~~ percent ~~(16%)~~ (16%) shall be paid in equal amounts to each town that ~~(A)~~ is located in the county in which the riverboat docks and ~~(B)~~ contains a historic hotel. *The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission. The following apply to taxes received by a town under this subdivision:*

(A) *At least twenty-five percent (25%) of the taxes must be transferred to the school corporation in which the town is located.*

(B) *At least twelve and five-tenths percent (12.5%) of the taxes must be transferred to the Orange County convention and visitors bureau.*

(5) ~~Ten Nine~~ percent ~~(10%)~~ (9%) shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money

received under this subdivision as follows:

(A) ~~Twenty~~ *Twenty-two and twenty-five hundredths* percent ~~(20%)~~ (22.25%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) ~~Twenty~~ *Twenty-two and twenty-five hundredths* percent ~~(20%)~~ (22.25%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) ~~Sixty~~ *Fifty-five and five-tenths* percent ~~(60%)~~ (55.5%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. *The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:*

~~(ii)~~ (6) *Five percent (5%) shall be paid to a town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000). At least forty percent (40%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.*

~~(iii)~~ (7) *Five percent (5%) shall be paid to a town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000). At least forty percent (40%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.*

(8) *Five-tenths percent (0.5%) shall be paid to the Orange County convention and visitors bureau.*

(c) For each city and county receiving money under subsection (a)(2), the treasurer of state shall determine the total amount of money paid by the treasurer of state to the city or county during the state fiscal year 2002. The amount determined

is the base year revenue for the city or county. The treasurer of state shall certify the base year revenue determined under this subsection to the city or county. The total amount of money distributed to a city or county under this section during a state fiscal year may not exceed the entity's base year revenue. For each state fiscal year, the treasurer of state shall pay that part of the riverboat wagering taxes that:

- (1) exceeds a particular city's or county's base year revenue; and
- (2) would otherwise be due to the city or county under this section;

to the property tax replacement fund instead of to the city or county.

(d) Each state fiscal year the treasurer of state shall transfer from the tax revenue remitted to the property tax replacement fund under subsection (a)(3) to the build Indiana fund an amount that when added to the following may not exceed two hundred fifty million dollars (\$250,000,000):

- (1) Surplus lottery revenues under IC 4-30-17-3.
- (2) Surplus revenue from the charity gaming enforcement fund under IC 4-32.2-7-7.
- (3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

The treasurer of state shall make transfers on a monthly basis as needed to meet the obligations of the build Indiana fund. If in any state fiscal year insufficient money is transferred to the property tax replacement fund under subsection (a)(3) to comply with this subsection, the treasurer of state shall reduce the amount transferred to the build Indiana fund to the amount available in the property tax replacement fund from the transfers under subsection (a)(3) for the state fiscal year.

(e) Before August 15 of each year, the treasurer of state shall distribute the wagering taxes set aside for revenue sharing under subsection (a)(1) to the county treasurer of each county that does not have a riverboat according to the ratio that the county's population bears to the total population of the counties that do not have a riverboat. Except as provided in subsection (h), the county auditor shall distribute the money received by the county under this subsection as follows:

- (1) To each city located in the county according to the ratio the city's population bears to the total population of the county.
- (2) To each town located in the county according to the ratio the town's population bears to the total population of the county.
- (3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be retained by the county.

(f) Money received by a city, town, or county under subsection (e) or (h) may be used for any of the following purposes:

- (1) To reduce the property tax levy of the city, town, or county for a particular year (a property tax reduction under this subdivision does not reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5).
- (2) For deposit in a special fund or allocation fund created under IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and IC 36-7-30 to provide funding for additional credits for property tax replacement in property tax increment

allocation areas or debt repayment.

(3) To fund sewer and water projects, including storm water management projects.

(4) For police and fire pensions.

(5) To carry out any governmental purpose for which the money is appropriated by the fiscal body of the city, town, or county. Money used under this subdivision does not reduce the property tax levy of the city, town, or county for a particular year or reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5.

(g) This subsection does not apply to an entity receiving money under IC 4-33-12-6(c). Before September 15 of each year, the treasurer of state shall determine the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year. If the treasurer of state determines that the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year was less than the entity's base year revenue (as determined under IC 4-33-12-6), the treasurer of state shall make a supplemental distribution to the entity from taxes collected under this chapter and deposited into the property tax replacement fund. *Except as provided in subsection (i), the amount of the entity's supplemental distribution is equal to:*

(1) the entity's base year revenue (as determined under IC 4-33-12-6); minus

(2) ~~the sum of:~~

~~(A) the total amount of money distributed to the entity during the preceding state fiscal year under IC 4-33-12-6, plus~~

~~(B) any amounts deducted under IC 6-3.1-20-7.~~

(h) This subsection applies only to a county containing a consolidated city. The county auditor shall distribute the money received by the county under subsection (e) as follows:

- (1) To each city, other than a consolidated city, located in the county according to the ratio that the city's population bears to the total population of the county.
- (2) To each town located in the county according to the ratio that the town's population bears to the total population of the county.
- (3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be paid in equal amounts to the consolidated city and the county.

*(i) This subsection applies only to the Indiana horse racing commission. For each state fiscal year the amount of the Indiana horse racing commission's supplemental distribution under subsection (g) must be reduced by the amount required to comply with IC 4-33-12-7(a).*

SECTION 3. IC 6-1.1-18.5-13, AS AMENDED BY P.L.196-2007, SECTION 2, AND AS AMENDED BY P.L.224-2007, SECTION 25, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 13. With respect to an appeal filed under section 12 of this chapter, the local government tax control board (*before January 1, 2009*) or the county board of tax and capital projects review (*after December 31, 2008*) may recommend that a civil taxing unit receive any one (1) or more of the following types of relief:

(1) *A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.* Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if in the judgment of the local government tax control board the increase is reasonably necessary due to increased costs of the civil taxing unit resulting from annexation, consolidation, or other extensions of governmental services by the civil taxing unit to additional geographic areas or persons.

(2) *A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.* Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to meet the civil taxing unit's share of the costs of operating a court established by statute enacted after December 31, 1973. Before recommending such an increase, the local government tax control board shall consider all other revenues available to the civil taxing unit that could be applied for that purpose. The maximum aggregate levy increases that the local government tax control board may recommend for a particular court equals the civil taxing unit's estimate of the unit's share of the costs of operating a court for the first full calendar year in which it is in existence. For purposes of this subdivision, costs of operating a court include:

- (A) the cost of personal services (including fringe benefits);
- (B) the cost of supplies; and
- (C) any other cost directly related to the operation of the court.

(3) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the quotient determined under STEP SIX of the following formula is equal to or greater than one and two-hundredths (1.02):

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property *or the initial annual adjustment of the assessed value of real property under IC 6-1.1-4-4.5* does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the civil taxing unit's total assessed value of all taxable property and the total assessed value of property tax deductions in the unit under ~~IC 6-1.1-12-41~~ *or* IC 6-1.1-12-42 in the particular calendar year, divided by the sum of the civil taxing unit's total assessed value of all taxable property and the total assessed value of property tax deductions in the unit under ~~IC 6-1.1-12-41~~ *or* IC 6-1.1-12-42 in the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3)

quotients computed in STEP TWO by three (3).

STEP FOUR: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the total assessed value of all taxable property in all counties and the total assessed value of property tax deductions in all counties under ~~IC 6-1.1-12-41~~ *or* IC 6-1.1-12-42 in the particular calendar year, divided by the sum of the total assessed value of all taxable property in all counties and the total assessed value of property tax deductions in all counties under ~~IC 6-1.1-12-41~~ *or* IC 6-1.1-12-42 in the calendar year immediately preceding the particular calendar year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Divide the STEP THREE amount by the STEP FIVE amount.

The civil taxing unit may increase its levy by a percentage not greater than the percentage by which the STEP THREE amount exceeds the percentage by which the civil taxing unit may increase its levy under section 3 of this chapter based on the assessed value growth quotient determined under section 2 of this chapter.

(4) *A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.* Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to pay the costs of furnishing fire protection for the civil taxing unit through a volunteer fire department. For purposes of determining a township's need for an increased levy, the local government tax control board shall not consider the amount of money borrowed under IC 36-6-6-14 during the immediately preceding calendar year. However, any increase in the amount of the civil taxing unit's levy recommended by the local government tax control board under this subdivision for the ensuing calendar year may not exceed the lesser of:

- (A) ten thousand dollars (\$10,000); or
- (B) twenty percent (20%) of:

- (i) the amount authorized for operating expenses of a volunteer fire department in the budget of the civil taxing unit for the immediately preceding calendar year; plus
- (ii) the amount of any additional appropriations authorized during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department under this chapter; minus
- (iii) the amount of money borrowed under IC 36-6-6-14 during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department.

(5) *A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.* Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter in order to raise revenues for

pension payments and contributions the civil taxing unit is required to make under IC 36-8. The maximum increase in a civil taxing unit's levy that may be recommended under this subdivision for an ensuing calendar year equals the amount, if any, by which the pension payments and contributions the civil taxing unit is required to make under IC 36-8 during the ensuing calendar year exceeds the product of one and one-tenth (1.1) multiplied by the pension payments and contributions made by the civil taxing unit under IC 36-8 during the calendar year that immediately precedes the ensuing calendar year. For purposes of this subdivision, "pension payments and contributions made by a civil taxing unit" does not include that part of the payments or contributions that are funded by distributions made to a civil taxing unit by the state.

(6) *A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.* Permission to increase its levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the township's township assistance ad valorem property tax rate is less than one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation; and

(B) the township needs the increase to meet the costs of providing township assistance under IC 12-20 and IC 12-30-4.

The maximum increase that the board may recommend for a township is the levy that would result from an increase in the township's township assistance ad valorem property tax rate of one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation minus the township's ad valorem property tax rate per one hundred dollars (\$100) of assessed valuation before the increase.

(7) *A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.* Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) the increase has been approved by the legislative body of the municipality with the largest population where the civil taxing unit provides public transportation services; and

(B) the local government tax control board finds that the civil taxing unit needs the increase to provide adequate public transportation services.

The local government tax control board shall consider tax rates and levies in civil taxing units of comparable population, and the effect (if any) of a loss of federal or other funds to the civil taxing unit that might have been used for public transportation purposes. However, the increase that the board may recommend under this subdivision for a civil taxing unit may not exceed the revenue that would be raised by the civil taxing unit based on a property tax rate of one cent (\$0.01) per one hundred dollars (\$100) of assessed valuation.

(8) *A levy increase may not be granted under this subdivision for property taxes first due and payable after*

*December 31, 2009.* Permission to a civil taxing unit to increase the unit's levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the civil taxing unit is:

(i) a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000);

(ii) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000);

(iii) a city having a population of more than twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);

(iv) a city having a population of more than fifteen thousand four hundred (15,400) but less than sixteen thousand six hundred (16,600); or

(v) a city having a population of more than seven thousand (7,000) but less than seven thousand three hundred (7,300); and

(B) the increase is necessary to provide funding to undertake removal (as defined in IC 13-11-2-187) and remedial action (as defined in IC 13-11-2-185) relating to hazardous substances (as defined in IC 13-11-2-98) in solid waste disposal facilities or industrial sites in the civil taxing unit that have become a menace to the public health and welfare.

The maximum increase that the local government tax control board may recommend for such a civil taxing unit is the levy that would result from a property tax rate of six and sixty-seven hundredths cents (\$0.0667) for each one hundred dollars (\$100) of assessed valuation. For purposes of computing the ad valorem property tax levy limit imposed on a civil taxing unit under section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular year does not include that part of the levy imposed under this subdivision. In addition, a property tax increase permitted under this subdivision may be imposed for only two (2) calendar years.

(9) *A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.* Permission for a county:

(A) having a population of more than eighty thousand (80,000) but less than ninety thousand (90,000) to increase the county's levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the county needs the increase to meet the county's share of the costs of operating a jail or juvenile detention center, including expansion of the facility, if the jail or juvenile detention center is opened after December 31, 1991;

(B) that operates a county jail or juvenile detention center that is subject to an order that:

(i) was issued by a federal district court; and

(ii) has not been terminated;

(C) that operates a county jail that fails to meet:

(i) American Correctional Association Jail Construction Standards; and



(ii) Indiana jail operation standards adopted by the department of correction; or

(D) that operates a juvenile detention center that fails to meet standards equivalent to the standards described in clause (C) for the operation of juvenile detention centers.

Before recommending an increase, the local government tax control board shall consider all other revenues available to the county that could be applied for that purpose. An appeal for operating funds for a jail or a juvenile detention center shall be considered individually, if a jail and juvenile detention center are both opened in one (1) county. The maximum aggregate levy increases that the local government tax control board may recommend for a county equals the county's share of the costs of operating the jail or a juvenile detention center for the first full calendar year in which the jail or juvenile detention center is in operation. (10) *A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.* Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township needs the increase so that the property tax rate to pay the costs of furnishing fire protection for a township, or a portion of a township, enables the township to pay a fair and reasonable amount under a contract with the municipality that is furnishing the fire protection. However, for the first time an appeal is granted the resulting rate increase may not exceed fifty percent (50%) of the difference between the rate imposed for fire protection within the municipality that is providing the fire protection to the township and the township's rate. A township is required to appeal a second time for an increase under this subdivision if the township wants to further increase its rate. However, a township's rate may be increased to equal but may not exceed the rate that is used by the municipality. More than one (1) township served by the same municipality may use this appeal.

(11) *A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.* Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township has been required, for the three (3) consecutive years preceding the year for which the appeal under this subdivision is to become effective, to borrow funds under IC 36-6-6-14 to furnish fire protection for the township or a part of the township. However, the maximum increase in a township's levy that may be allowed under this subdivision is the least of the amounts borrowed under IC 36-6-6-14 during the preceding three (3) calendar years. A township may elect to phase in an approved increase in its levy under this subdivision over a period not to exceed three (3) years. A particular township may appeal to increase its levy under this section not more frequently than every fourth calendar year.

(12) *A levy increase may not be granted under this subdivision for property taxes first due and payable after*

*December 31, 2009.* Permission to a city having a population of more than twenty-nine thousand (29,000) but less than thirty-one thousand (31,000) to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) an appeal was granted to the city under this section to reallocate property tax replacement credits under IC 6-3.5-1.1 in 1998, 1999, and 2000; and

(B) the increase has been approved by the legislative body of the city, and the legislative body of the city has by resolution determined that the increase is necessary to pay normal operating expenses.

The maximum amount of the increase is equal to the amount of property tax replacement credits under IC 6-3.5-1.1 that the city petitioned under this section to have reallocated in 2001 for a purpose other than property tax relief.

(13) *A levy increase may be granted under this subdivision only for property taxes first due and payable after December 31, 2009.* Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if the civil taxing unit cannot carry out its governmental functions for an ensuing calendar year under the levy limitations imposed by section 3 of this chapter.

SECTION 4. IC 6-1.1-20.6-7, AS AMENDED BY P.L.224-2007, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 7. ~~(a) In the case of a credit authorized under section 6 of this chapter or provided by section 6.5(a) or 6.5(b) of this chapter for property taxes first due and payable in a calendar year:~~

~~(1) a person is entitled to a credit against the person's property tax liability for property taxes first due and payable in that calendar year attributable to~~

~~(A) the person's qualified residential property located in the county; in the case of a calendar year before 2008; or~~

~~(B) the person's homestead (as defined in IC 6-1.1-20.9-1) property located in the county; in the case of a calendar year after 2007 and before 2010; and~~  
~~(2) the amount of the credit is the amount by which the person's property tax liability attributable to~~

~~(A) the person's qualified residential property; in the case of a calendar year before 2008; or~~

~~(B) the person's homestead property; in the case of a calendar year after 2007 and before 2010;~~

for property taxes first due and payable in that calendar year exceeds two percent (2%) of the gross assessed value that is the basis for determination of property taxes on the qualified residential property (in the case of a calendar year before 2008) or the person's homestead property (in the case of a calendar year after 2007 and before 2010) for property taxes first due and payable in that calendar year; as adjusted under subsection (c):

~~(b) In the case of a credit provided by section 6.5(c) of this chapter for property taxes first due and payable in a calendar year:~~

~~(1) (a) A person is entitled to a credit against the person's property tax liability for property taxes first due and payable in~~

that a calendar year after December 31, 2009, that are attributable to the person's real property and personal property located in the county. and

(2) The amount of the credit is equal to the following:

(A) In the case of property tax liability attributable to the person's homestead property, the amount of the credit is the amount by which the person's property tax liability attributable to the person's homestead property for property taxes first due and payable in that calendar year exceeds two percent (2%) of the gross assessed value that is the basis for determination of property taxes on the homestead property for property taxes first due and payable in that calendar year, as adjusted under subsection (c).

(B) In the case of property tax liability attributable to property other than homestead property, The amount of the credit is the amount by which the person's property tax liability attributable to the person's real property (other than homestead property) and personal property for property taxes first due and payable in that calendar year exceeds three percent (3%) of the gross assessed value that is the basis for determination of property taxes on the real property (other than homestead property) and personal property for property taxes first due and payable in that calendar year, as adjusted under subsection (c): (b).

(c) This subsection applies to property taxes first due and payable after December 31, 2007: (b) The amount of a credit to which a person is entitled under subsection (a) or (b) in a county shall be adjusted as determined in STEP FIVE of the following STEPS:

STEP ONE: Determine the total amount of the person's property tax liability described in subsection (a)(1) or (b)(1) (a) (as applicable) that is for tuition support levy property taxes.

STEP TWO: Determine the total amount of the person's property tax liability described in subsection (a)(1) or (b)(1) (a). (as applicable):

STEP THREE: Determine the result of:

- (A) the STEP TWO amount; minus
- (B) the STEP ONE amount.

STEP FOUR: Determine the result of:

- (A) the STEP THREE amount; divided by
- (B) the STEP TWO amount.

STEP FIVE: Multiply the credit to which the person is entitled under subsection (a) or (b) by the STEP FOUR amount.

Notwithstanding any other provision of this chapter, a school corporation's tuition support property tax levy collections may not be reduced because of a credit under this chapter.

SECTION 5. IC 6-1.1-20.6-9.5, AS ADDED BY P.L.162-2006, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 9.5. (a) This section applies only to credits under this chapter against property taxes first due and payable after December 31, 2006:

(b) (a) The application of the credit under this chapter results in a reduction of the property tax collections of each political subdivision in which the credit is applied. A political subdivision

may not increase its property tax levy to make up for that reduction.

(c) (b) The county auditor shall in each calendar year notify each political subdivision in which the credit under this chapter is applied of the reduction of property tax collections referred to in subsection (b) (a) for the political subdivision for that year.

(d) (c) A political subdivision may not borrow money to compensate the political subdivision or any other political subdivision for the reduction of property tax collections referred to in subsection (b): (a).

SECTION 6. IC 6-1.1-20.9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. As used in The following definitions apply throughout this chapter:

(1) "Additional credit" refers to the maximum additional credit against property tax liability permitted for property in an allocation area under IC 8-22-3.5-10, IC 36-7-14-39.5, IC 36-7-14-48, IC 36-7-14.5-12.5, IC 36-7-15.1-26.5, IC 36-7-15.1-35, IC 36-7-15.1-56, IC 36-7-30-27, IC 36-7-30.5-32, or another similar provision, as determined before any reduction permitted by law.

(2) "Allocation area" refers to an area that is established under the authority of any of the following statutes and in which tax increment revenues are collected:

- (A) IC 8-22-3.5.
- (B) IC 36-7-14.
- (C) IC 36-7-14.5.
- (D) IC 36-7-15.1.
- (E) IC 36-7-30.
- (F) IC 36-7-30.5.

(3) "Distribution" refers to a distribution under this chapter to replace property tax revenue lost to a political subdivision, including tax incentive revenues that would otherwise be deposited in a special fund for an allocation area, as the result of granting homestead credits to taxpayers located in the taxing unit imposing the property taxes or in an allocation area to which tax incentive revenues will be distributed.

(4) (1) "Dwelling" means any of the following:

- (A) Residential real property improvements which an individual uses as his the individual's residence, including a house or garage.
- (B) A mobile home that is not assessed as real property that an individual uses as the individual's residence.
- (C) A manufactured home that is not assessed as real property that an individual uses as the individual's residence.

(5) (2) "Homestead" means an individual's principal place of residence which:

- (A) is located in Indiana;
- (B) the individual either owns or is buying under a contract, recorded in the county recorder's office, that provides that he the individual is to pay the property taxes on the residence; and
- (C) consists of a dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

(6) **"Homestead credit" refers to a credit granted to a taxpayer under this chapter.**

(7) **"Tax increment revenues" means an allocation of ad valorem property taxes to an allocation area based on an increase in the assessed value, wages, sales, or other economic activity occurring in the allocation area.**

SECTION 7. IC 6-1.1-20.9-2, AS AMENDED BY P.L.224-2007, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. (a) Except as otherwise provided in section 5 of this chapter, an individual who on March 1 of a particular year either owns or is buying a homestead under a contract that provides the individual is to pay the property taxes on the homestead is entitled each calendar year to a credit against the property taxes, **including tax increment revenues**, which the individual pays on the individual's homestead. However, only one (1) individual may receive a credit under this chapter for a particular homestead in a particular year.

(b) The amount of the credit to which the individual is entitled equals the product of:

(1) the percentage prescribed in subsection (d); multiplied by

(2) the amount of the individual's property tax liability, as that term is defined in IC 6-1.1-21-5, which is: **(A) one hundred percent (100%) of the total property tax liability** attributable to the homestead during the particular calendar year, and

**(B) as determined after the application of any additional credit in an allocation area and the property tax replacement credit under IC 6-1.1-21.**

(c) For purposes of determining that part of an individual's property tax liability that is attributable to the individual's homestead, all deductions from assessed valuation which the individual claims under IC 6-1.1-12, or IC 6-1.1-12.1, or **another law** for property on which the individual's homestead is located must be applied first against the assessed value of the individual's homestead before those deductions are applied against any other property.

(d) The percentage of the credit referred to in subsection (b)(1) is as follows:

YEAR	PERCENTAGE OF THE CREDIT
1996	8%
1997	6%
1998 through 2002	10%
2003 through 2005	20%
2006	28%
2007 and thereafter	20%

However, the percentage credit allowed in a particular county for a particular year shall be increased if on January 1 of a year an ordinance adopted by a county income tax council was in effect in the county which increased the homestead credit. The amount of the increase equals the amount designated in the ordinance:

(e) (d) Before October 1 of each year, the assessor shall furnish to the county auditor the amount of the assessed valuation of each homestead for which a homestead credit has been properly filed under this chapter.

(f) (e) The county auditor shall apply the credit equally to

each installment of taxes that the individual pays for the property.

(g) (f) Notwithstanding the provisions of this chapter, a taxpayer other than an individual is entitled to the credit provided by this chapter if:

(1) an individual uses the residence as the individual's principal place of residence;

(2) the residence is located in Indiana;

(3) the individual has a beneficial interest in the taxpayer;

(4) the taxpayer either owns the residence or is buying it under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; and

(5) the residence consists of a single-family dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

SECTION 8. IC 6-1.1-20.9-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 7. **The department of state revenue shall distribute to the county auditor of a county an amount equal to the property tax revenue lost to the political subdivisions in the county from homestead credits.**

SECTION 9. IC 6-1.1-20.9-8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 8. **The department of local government finance shall certify to the department of state revenue an estimate of the amount of the distribution to be made to each county and the allocation of a county's distribution that is to be made to each political subdivision in a county.**

SECTION 10. IC 6-1.1-20.9-9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 9. **The department of state revenue shall use the estimate certified by the department of local government finance as the basis for making an estimated distribution under this chapter.**

SECTION 11. IC 6-1.1-20.9-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 10. **An estimated distribution under this chapter shall be made in installments in the same percentages and at the same times as distributions from the property tax replacement fund under IC 6-1.1-21-10.**

SECTION 12. IC 6-1.1-20.9-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 11. **The department of state revenue and a county auditor shall settle differences between an estimated distribution under this chapter to a county and the amount to which the political subdivisions in the county are entitled in the manner prescribed by the department.**

SECTION 13. IC 6-1.1-20.9-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 12. **All amounts distributed under this chapter shall be paid from the county government security trust fund established by IC 6-1.1-46-10. The department of state revenue shall make**

**distributions on warrants issued by the auditor of state drawn on the treasurer of state.**

SECTION 14. IC 6-1.1-20.9-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 13. A county auditor shall allocate a distribution under this chapter among the political subdivisions in the county in proportion to the property tax that each political subdivision has lost revenue as a result of the granting of homestead credits. The allocation shall be made at the same time that other property tax distributions are made.**

SECTION 15. IC 6-1.1-20.9-14 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 14. A political subdivision shall allocate money received from the political subdivision's distribution among the political subdivision's funds in proportion to the property tax levies being replaced from each fund. The money may be used only for purposes for which property tax levies being replaced may be used.**

SECTION 16. IC 6-1.1-21-2.5, AS AMENDED BY P.L.234-2007, SECTION 296, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 2.5. (a) Annually, before the department determines the eligible property tax replacement amount for a year under section 3 of this chapter and the department of local government finance makes its certification under section 3(b) of this chapter, the budget agency shall determine whether the total amount of property tax replacement credits granted in Indiana under section 5 of this chapter and homestead credits granted in Indiana under IC 6-1.1-20.9-2 for a year, determined without applying this section, will be more than the amount appropriated for those purposes for that year. The budget agency shall give notice of its determination to the members of the board and, in an electronic format under IC 5-14-6, the general assembly. If the budget agency determines that the amount of property tax replacement credits and homestead credits granted under IC 6-1.1-20.9-2 for the year will be more than the amount appropriated for those purposes for that year, the board shall do the following:**

**(1) For calendar years 2008 and 2009, decrease for that year the percentages used to determine a taxpayer's property tax replacement credit amount so that the total amount of property tax replacement credits granted in Indiana under section 5 of this chapter and homestead credits granted in Indiana under IC 6-1.1-20.9-2 does not exceed the total amount appropriated for those purposes for that year.**

**(2) For calendar years 2010 and thereafter, decrease for that year in the same proportions:**

**(A) the percentages used to determine a taxpayer's property tax replacement credit amount; and**

**(B) and the homestead credit percentage applicable under IC 6-1.1-20.9-2;**

**so that the total amount of property tax replacement credits granted in Indiana under section 5 of this chapter and homestead credits granted in Indiana under IC 6-1.1-20.9-2 does not exceed the total amount appropriated for those purposes for that year.**

**(b) The adjusted percentages set under subsection (a):**

**(1) are the percentages that apply under**

**(A) section 5 of this chapter to determine a taxpayer's property tax replacement credit amount; and**

**(B) IC 6-1.1-20.9-2 to determine a taxpayer's homestead credit; and**

**(2) must be used by the**

**(A) department in estimating the eligible property tax replacement amount under section 3 of this chapter and**

**(B) department of local government finance in making its certification under section 3(b) of this chapter;**

**and for all other purposes under this chapter and IC 6-1.1-20.9 related to distributions under this chapter; for the particular year covered by a budget agency's determination under subsection (a).**

SECTION 17. IC 6-1.1-21-3, AS AMENDED BY P.L.162-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 3. (a) The department, with the assistance of the auditor of state and the department of local government finance, shall determine an amount equal to the eligible property tax replacement amount, which is the estimated property tax replacement.**

**(b) The department of local government finance shall certify to the department the amount of homestead credits provided under IC 6-1.1-20.9 which are allowed by the county for the particular calendar year. The department of local government finance shall make the certification based on the best information available at the time the certification is made.**

**(c) If there are one (1) or more taxing districts in the county that contain all or part of an economic development district that meets the requirements of section 5-5 of this chapter, the department of local government finance shall estimate an additional distribution for the county in the same report required under subsection (a). This additional distribution equals the sum of the amounts determined under the following STEPS for all taxing districts in the county that contain all or part of an economic development district:**

**STEP ONE: Estimate that part of the sum of the amounts under section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable to the taxing district.**

**STEP TWO: Divide:**

**(A) that part of the estimated property tax replacement amount attributable to the taxing district; by**

**(B) the STEP ONE sum.**

**STEP THREE: Multiply:**

**(A) the STEP TWO quotient; times**

**(B) the taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.**

**(d) The sum of the amounts amount determined under subsections (a) through (c) this section is the particular county's estimated distribution for the calendar year.**

SECTION 18. IC 6-1.1-21-4, AS AMENDED BY P.L.234-2007, SECTION 297, AND AS AMENDED BY P.L.219-2007, SECTION 62, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 4. (a) Each year the department shall allocate from the property tax replacement fund an amount equal to the sum of:**

(1) each county's total eligible property tax replacement amount for that year. ~~plus~~

(2) the total amount of homestead tax credits that are provided under IC 6-1.1-20.9 and allowed by each county for that year; ~~plus~~

(3) an amount for each county that has one (1) or more taxing districts that contain all or part of an economic development district that meets the requirements of section 5.5 of this chapter. This amount is the sum of the amounts determined under the following STEPS for all taxing districts in the county that contain all or part of an economic development district:

STEP ONE: Determine that part of the sum of the amounts under section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the subdivision (1) amount that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.

(b) Except as provided in subsection (e), between March 1 and August 31 of each year, the department shall distribute to each county treasurer from the property tax replacement fund one-half (1/2) of the estimated distribution for that year for the county. Between September 1 and December 15 of that year, the department shall distribute to each county treasurer from the property tax replacement fund the remaining one-half (1/2) of each estimated distribution for that year. The amount of the distribution for each of these periods shall be according to a schedule determined by the property tax replacement fund board under section 10 of this chapter. The estimated distribution for each county may be adjusted from time to time by the department to reflect any changes in the total county tax levy upon which the estimated distribution is based.

(c) On or before December 31 of each year or as soon thereafter as possible, the department shall make a final determination of the amount which should be distributed from the property tax replacement fund to each county for that calendar year. This determination shall be known as the final determination of distribution. The department shall distribute to the county treasurer or, *except as provided in section 9 of this chapter*, receive back from the county treasurer any deficit or excess, as the case may be, between the sum of the distributions made for that calendar year based on the estimated distribution and the final determination of distribution. The final determination of distribution shall be based on the auditor's abstract filed with the auditor of state, adjusted for postabstract adjustments included in the December settlement sheet for the year, and such additional information as the department may require.

(d) All distributions provided for in this section shall be made on warrants issued by the auditor of state drawn on the treasurer of state. If the amounts allocated by the department from the property tax replacement fund exceed in the aggregate the balance of money in the fund, then the amount of the deficiency

shall be transferred from the state general fund to the property tax replacement fund, and the auditor of state shall issue a warrant to the treasurer of state ordering the payment of that amount. However, any amount transferred under this section from the general fund to the property tax replacement fund shall, as soon as funds are available in the property tax replacement fund, be retransferred from the property tax replacement fund to the state general fund, and the auditor of state shall issue a warrant to the treasurer of state ordering the replacement of that amount.

(e) Except as provided in subsection (g) and subject to subsection (h), the department shall not distribute under subsection (b) and section 10 of this chapter a percentage, determined by the department, of the money that would otherwise be distributed to the county under subsection (b) and section 10 of this chapter if:

(1) by the date the distribution is scheduled to be made, the county auditor has not sent a certified statement required to be sent by that date under IC 6-1.1-17-1 to the department of local government finance;

(2) by the deadline under IC 36-2-9-20, the county auditor has not transmitted data as required under that section;

(3) the county assessor has not forwarded to the department of local government finance the duplicate copies of all approved exemption applications required to be forwarded by that date under IC 6-1.1-11-8(a);

(4) the county assessor has not forwarded to the department of local government finance in a timely manner sales disclosure ~~forms~~ *form data* under ~~IC 6-1.1-5.5-3(b);~~ *IC 6-1.1-5.5-3(h);*

(5) local assessing officials have not provided information to the department of local government finance in a timely manner under IC 4-10-13-5(b);

(6) the county auditor has not paid a bill for services under IC 6-1.1-4-31.5 to the department of local government finance in a timely manner;

(7) the elected township assessors in the county, the elected township assessors and the county assessor, or the county assessor has not transmitted to the department of local government finance by October 1 of the year in which the distribution is scheduled to be made the data for all townships in the county required to be transmitted under IC 6-1.1-4-25(b);

(8) the county has not established a parcel index numbering system under 50 IAC 12-15-1 in a timely manner; or

(9) a township or county official has not provided other information to the department of local government finance in a timely manner as required by the department.

(f) Except as provided in subsection (i), money not distributed for the reasons stated in subsection (e) shall be distributed to the county when the department of local government finance determines that the failure to:

(1) provide information; or

(2) pay a bill for services;

has been corrected.

(g) The restrictions on distributions under subsection (e) do not apply if the department of local government finance determines that the failure to:

- (1) provide information; or
- (2) pay a bill for services;

in a timely manner is justified by unusual circumstances.

(h) The department shall give the county auditor at least thirty (30) days notice in writing before withholding a distribution under subsection (e).

(i) Money not distributed for the reason stated in subsection (e)(6) may be deposited in the fund established by IC 6-1.1-5.5-4.7(a). Money deposited under this subsection is not subject to distribution under subsection (f).

SECTION 19. IC 6-1.1-21-5, AS AMENDED BY P.L.219-2007, SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) Each year the taxpayers of each county shall receive a credit for property tax replacement in the amount of each taxpayer's property tax replacement credit amount for taxes which

- ~~(1) under IC 6-1.1-22-9 are due and payable in that year. or~~
- ~~(2) under IC 6-1.1-22-9.5 are due in installments established by the department of local government finance for that year.~~

The credit shall be applied to each installment of taxes. The dollar amount of the credit for each taxpayer shall be determined by the county auditor, based on data furnished by the department of local government finance.

(b) The tax liability of a taxpayer for the purpose of computing the credit for a particular year shall be based upon the taxpayer's tax liability as is evidenced by the tax duplicate for the taxes payable in that year, plus the amount by which the tax payable by the taxpayer had been reduced due to the application of county adjusted gross income tax revenues to the extent the county adjusted gross income tax revenues were included in the determination of the total county tax levy for that year, as provided in sections 2(g) and 3 of this chapter, adjusted, however, for any change in assessed valuation which may have been made pursuant to a post-abstract adjustment if the change is set forth on the tax statement or on a corrected tax statement stating the taxpayer's tax liability, as prepared by the county treasurer in accordance with IC 6-1.1-22-8(a). However, except when using the term under section 2(l)(1) of this chapter, the tax liability of a taxpayer does not include the amount of any property tax owed by the taxpayer that is attributable to that part of any property tax levy subtracted under section 2(g)(1)(B), 2(g)(1)(C), 2(g)(1)(D), 2(g)(1)(E), 2(g)(1)(F), 2(g)(1)(G), 2(g)(1)(H), 2(g)(1)(I), 2(g)(1)(J), or 2(g)(1)(K) of this chapter in computing the total county tax levy.

(c) The credit for taxes payable in a particular year with respect to mobile homes which are assessed under IC 6-1.1-7 is equivalent to the taxpayer's property tax replacement credit amount for the taxes payable with respect to the assessments plus the adjustments stated in this section.

~~(d) Each taxpayer in a taxing district that contains all or part of an economic development district that meets the requirements of section 5.5 of this chapter is entitled to an additional credit for property tax replacement. This credit is equal to the product of:~~

- ~~(1) the STEP TWO quotient determined under section 4(a)(3) of this chapter for the taxing district; multiplied by~~
- ~~(2) the taxpayer's taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.~~

SECTION 20. IC 6-1.1-21-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 7. (a) Notwithstanding IC 6-1.1-26, any taxpayer who is entitled to a credit under this chapter ~~or who has properly filed for and is entitled to a credit under IC 6-1.1-20-9;~~ and who, without taking the credit, pays in full the taxes to which the credit applies, is entitled to a refund, without interest, of an amount equal to the amount of the credit. However, if the taxpayer, at the time a refund is claimed, owes any other taxes, interest, or penalties payable to the county treasurer to whom the taxes subject to the credit were paid, then the credit shall be first applied in full or partial payment of the other taxes, interest, and penalties and the balance, if any, remaining after that application is available as a refund to the taxpayer.

(b) Any taxpayer entitled to a refund under this section shall be paid that refund from proceeds of the property tax replacement fund. ~~However, with respect to any refund attributable to a homestead credit, the refund shall be paid from that fund only to the extent that the percentage homestead credit the taxpayer was entitled to receive for a year does not exceed the percentage credit allowed in IC 6-1.1-20-9-2(d) for that same year. Any refund in excess of that amount shall be paid from the county's revenue distributions received under IC 6-3.5-6.~~

(c) The state board of accounts shall establish an appropriate procedure to simplify and expedite the method for claiming these refunds and for the payments thereof, as provided for in this section, which procedure is the exclusive procedure for the processing of the refunds. The procedure shall, however, require the filing of claims for the refunds by not later than June 1 of the year following the payment of the taxes to which the credit applied.

SECTION 21. IC 6-1.1-21-9, AS AMENDED BY P.L.234-2007, SECTION 298, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 9. (a) On or before October 15 of each year, each county auditor shall make a settlement with the department as to the aggregate amount of property tax replacement credits extended to taxpayers in the auditor's county during the first eight (8) months of that same year. On or before December 31 of each year, each county auditor shall make a settlement with the department along with the filing of the county auditor's December settlement as to the aggregate amount of property tax replacement credits extended to taxpayers in the auditor's county during the last four (4) months of that same year. If the aggregate credits allowed during either period exceed the property tax replacement funds allocated and distributed to the county treasurer for that same period, as provided in sections 4 and 5 of this chapter, then the department shall certify the amount of the excess to the auditor of state who shall issue a warrant, payable from the property tax replacement fund, to the treasurer of the state ordering the payment of the excess to the county treasurer. If the distribution exceeds the aggregate credits, the county treasurer shall repay to the treasurer of the state the amount of the excess, which shall be redeposited in the property tax replacement fund.

(b) ~~In making the settlement required by subsection (a); the county auditor shall recognize the fact that any loss of revenue resulting from the provision of homestead credits in excess of the percentage credit allowed in IC 6-1.1-20-9-2(d) must be paid~~

~~from county option income revenues.~~

~~(c)~~ (b) Except as otherwise provided in this chapter, the state board of accounts with the cooperation of the department shall prescribe the accounting forms, records, and procedures required to carry out the provisions of this chapter.

~~(d)~~ (c) Not later than November 15 of each year, the budget agency shall determine whether the amount distributed to counties under section 10 of this chapter for state property tax replacement credits and state homestead credits is less than the amount available, as determined by the budget agency, from the appropriation to the property tax replacement board for distribution as state property tax replacement credits. ~~and state homestead credits.~~ If the amount distributed is less than the available appropriation, the budget agency shall apportion the excess among the counties in proportion to the final determination of state property tax replacement credits ~~and state homestead credits~~ for each county and certify the excess amount for each county to the department and the department of local government finance. The department shall distribute the certified additional amount for a county to the county treasurer before December 15 of the year. Not later than December 31 in the year, the county treasurer shall allocate the certified additional amount among the taxing units in the county in proportion to the part of the total county tax levy imposed by each taxing unit. The taxing unit shall deposit the allocated amount in the taxing unit's levy excess fund ~~under~~ established under IC 6-1.1-18.5-17 or IC 20-40-10. The allocated amount shall be treated in the same manner as a levy excess (as defined in IC 6-1.1-18.5-17 and IC 20-44-3-2) and shall be used only to reduce the part of the county tax levy imposed by the taxing unit in the immediately following year.

SECTION 22. IC 6-1.1-22-9, AS AMENDED BY P.L.219-2007, SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 9. (a) Except as provided in subsections (b) and (c), the property taxes assessed for a year under this article are due in two (2) equal installments on May 10 and November 10 of the following year.

(b) Subsection (a) does not apply if any of the following apply to the property taxes assessed for the year under this article:

- (1) Subsection (c).
- (2) Subsection (d).
- (3) Subsection (h).
- (4) Subsection (i).
- (5) IC 6-1.1-7-7.

~~(6) Section 9.5 of this chapter.~~

(c) A county council may adopt an ordinance to require a person to pay the person's property tax liability in one (1) installment, if the tax liability for a particular year is less than twenty-five dollars (\$25). If the county council has adopted such an ordinance, then whenever a tax statement mailed under section 8 of this chapter shows that the person's property tax liability for a year is less than twenty-five dollars (\$25) for the property covered by that statement, the tax liability for that year is due in one (1) installment on May 10 of that year.

(d) If the county treasurer receives a copy of an appeal petition under IC 6-1.1-18.5-12(g) or IC 6-1.1-19-2(g) before the

county treasurer mails or transmits statements under section 8(a) of this chapter, the county treasurer may:

(1) mail or transmit the statements without regard to the pendency of the appeal and, if the resolution of the appeal by the department of local government finance results in changes in levies, mail or transmit reconciling statements under subsection (e); or

(2) delay the mailing or transmission of statements under section 8(a) of this chapter so that:

(A) the due date of the first installment that would otherwise be due under subsection (a) is delayed by not more than sixty (60) days; and

(B) all statements reflect any changes in levies that result from the resolution of the appeal by the department of local government finance.

(e) A reconciling statement under subsection (d)(1) must indicate:

(1) the total amount due for the year;

(2) the total amount of the installments paid that did not reflect the resolution of the appeal under IC 6-1.1-18.5-12(g) or IC 6-1.1-19-2(g) by the department of local government finance;

(3) if the amount under subdivision (1) exceeds the amount under subdivision (2), the adjusted amount that is payable by the taxpayer:

(A) as a final reconciliation of all amounts due for the year; and

(B) not later than

~~(i) November 10; or~~

~~(ii) the date or dates established under section 9.5 of this chapter; and~~

(4) if the amount under subdivision (2) exceeds the amount under subdivision (1), that the taxpayer may claim a refund of the excess under IC 6-1.1-26.

(f) If property taxes are not paid on or before the due date, the penalties prescribed in IC 6-1.1-37-10 shall be added to the delinquent taxes.

(g) Notwithstanding any other law, a property tax liability of less than five dollars (\$5) is increased to five dollars (\$5). The difference between the actual liability and the five dollar (\$5) amount that appears on the statement is a statement processing charge. The statement processing charge is considered a part of the tax liability.

(h) If in a county the notices of general reassessment under IC 6-1.1-4-4 or notices of assessment under IC 6-1.1-4-4.5 for an assessment date in a calendar year are given to the taxpayers in the county after March 26 of the immediately succeeding calendar year, the property taxes that would otherwise be due under subsection (a) on May 10 of the immediately succeeding calendar year are due on the later of:

(1) May 10 of the immediately succeeding calendar year; or

(2) forty-five (45) days after the notices are given to taxpayers in the county.

(i) If subsection (h) applies, the property taxes that would otherwise be due under subsection (a) on November 10 of the immediately succeeding calendar year referred to in subsection (h) are due on the later of:

- (1) November 10 of the immediately succeeding calendar year; or
- (2) a date determined by the county treasurer that is not later than December 31 of the immediately succeeding calendar year.

SECTION 23. IC 6-1.1-37-9, AS AMENDED BY P.L.219-2007, SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 9. (a) This section applies when:

- (1) an assessment is made or increased after the date or dates on which the taxes for the year for which the assessment is made were originally due;
- (2) the assessment upon which a taxpayer has been paying taxes under IC 6-1.1-15-10(a)(1) or IC 6-1.1-15-10(a)(2) while a petition for review or a judicial proceeding has been pending is less than the assessment that results from the final determination of the petition for review or judicial proceeding; or
- (3) the collection of certain ad valorem property taxes has been enjoined under IC 33-26-6-2, and under the final determination of the petition for judicial review the taxpayer is liable for at least part of those taxes.

(b) Except as provided in subsections (c) and (g), a taxpayer shall pay interest on the taxes the taxpayer is required to pay as a result of an action or a determination described in subsection (a) at the rate of ten percent (10%) per year from the original due date or dates for those taxes to:

- (1) the date of payment; or
- (2) the date on which penalties for the late payment of a tax installment may be charged under subsection (e) or (f);

whichever occurs first.

(c) Except as provided in subsection (g), a taxpayer shall pay interest on the taxes the taxpayer is ultimately required to pay in excess of the amount that the taxpayer is required to pay under IC 6-1.1-15-10(a)(1) while a petition for review or a judicial proceeding has been pending at the overpayment rate established under Section 6621(c)(1) of the Internal Revenue Code in effect on the original due date or dates for those taxes from the original due date or dates for those taxes to:

- (1) the date of payment; or
- (2) the date on which penalties for the late payment of a tax installment may be charged under subsection (e) or (f);

whichever occurs first.

(d) With respect to an action or determination described in subsection (a), the taxpayer shall pay the taxes resulting from that action or determination and the interest prescribed under subsection (b) or (c) on or before:

- (1) the next May 10; or
- (2) the next November 10;

whichever occurs first.

(e) A taxpayer shall, to the extent that the penalty is not waived under section ~~10.5~~ or 10.7 of this chapter, begin paying the penalty prescribed in section 10 of this chapter on the day after the date for payment prescribed in subsection (d) if:

- (1) the taxpayer has not paid the amount of taxes resulting from the action or determination; and
- (2) the taxpayer either:

- (A) received notice of the taxes the taxpayer is required to pay as a result of the action or determination at least thirty (30) days before the date for payment; or
- (B) voluntarily signed and filed an assessment return for the taxes.

(f) If subsection (e) does not apply, a taxpayer who has not paid the amount of taxes resulting from the action or determination shall, to the extent that the penalty is not waived under section ~~10.5~~ or 10.7 of this chapter, begin paying the penalty prescribed in section 10 of this chapter on:

- (1) the next May 10 which follows the date for payment prescribed in subsection (d); or
- (2) the next November 10 which follows the date for payment prescribed in subsection (d);

whichever occurs first.

(g) A taxpayer is not subject to the payment of interest on real property assessments under subsection (b) or (c) if:

- (1) an assessment is made or increased after the date or dates on which the taxes for the year for which the assessment is made were due;
- (2) the assessment or the assessment increase is made as the result of error or neglect by the assessor or by any other official involved with the assessment of property or the collection of property taxes; and
- (3) the assessment:

- (A) would have been made on the normal assessment date if the error or neglect had not occurred; or
- (B) increase would have been included in the assessment on the normal annual assessment date if the error or neglect had not occurred.

SECTION 24. IC 6-1.1-37-10, AS AMENDED BY P.L.219-2007, SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 10. (a) Except as provided in ~~sections 10.5 and section~~ 10.7 of this chapter, if an installment of property taxes is not completely paid on or before the due date, a penalty shall be added to the unpaid portion in the year of the initial delinquency. The penalty is equal to an amount determined as follows:

(1) If:

- (A) an installment of real property taxes is completely paid on or before the date thirty (30) days after the due date; and
- (B) the taxpayer is not liable for delinquent property taxes first due and payable in a previous installment for the same parcel;

the amount of the penalty is equal to five percent (5%) of the amount of delinquent taxes.

(2) If:

- (A) an installment of personal property taxes is completely paid on or before the date thirty (30) days after the due date; and
- (B) the taxpayer is not liable for delinquent property taxes first due and payable in a previous installment for a personal property tax return for property in the same taxing district;

the amount of the penalty is equal to five percent (5%) of the amount of delinquent taxes.



(3) If subdivision (1) or (2) does not apply, the amount of the penalty is equal to ten percent (10%) of the amount of delinquent taxes.

(b) With respect to property taxes due in two (2) equal installments under IC 6-1.1-22-9(a), on the day immediately following the due dates of the first and second installments in each year following the year of the initial delinquency, an additional penalty equal to ten percent (10%) of any taxes remaining unpaid shall be added. With respect to property taxes due in installments under IC 6-1.1-22-9.5 (**before its repeal**), an additional penalty equal to ten percent (10%) of any taxes remaining unpaid shall be added on the day immediately following each date that succeeds the last installment due date by:

- (1) six (6) months; or
- (2) a multiple of six (6) months.

(c) The penalties under subsection (b) are imposed only on the principal amount of the delinquent taxes.

(d) If the department of local government finance determines that an emergency has occurred which precludes the mailing of the tax statement in any county at the time set forth in IC 6-1.1-22-8, the department shall establish by order a new date on which the installment of taxes in that county is due and no installment is delinquent if paid by the date so established.

(e) If any due date falls on a Saturday, a Sunday, a national legal holiday recognized by the federal government, or a statewide holiday, the act that must be performed by that date is timely if performed by the next succeeding day that is not a Saturday, a Sunday, or one (1) of those holidays.

(f) Subject to subsections (g) and (h), a payment to the county treasurer is considered to have been paid by the due date if the payment is:

- (1) received on or before the due date by the county treasurer or a collecting agent appointed by the county treasurer;
- (2) deposited in United States first class mail:
  - (A) properly addressed to the principal office of the county treasurer;
  - (B) with sufficient postage; and
  - (C) postmarked by the United States Postal Service as mailed on or before the due date;
- (3) deposited with a nationally recognized express parcel carrier and is:
  - (A) properly addressed to the principal office of the county treasurer; and
  - (B) verified by the express parcel carrier as:
    - (i) paid in full for final delivery; and
    - (ii) received by the express parcel carrier on or before the due date;
- (4) deposited to be mailed through United States registered mail, United States certified mail, or United States certificate of mailing:
  - (A) properly addressed to the principal office of the county treasurer;
  - (B) with sufficient postage; and
  - (C) with a date of registration, certification, or certificate, as evidenced by any record authenticated by the United States Postal Service, on or before the due

date; or

- (5) made by an electronic funds transfer and the taxpayer's bank account is charged on or before the due date.

For purposes of this subsection, "postmarked" does not mean the date printed by a postage meter that affixes postage to the envelope or package containing a payment.

(g) If a payment is mailed through the United States mail and is physically received after the due date without a legible correct postmark, the person who mailed the payment is considered to have made the payment on or before the due date if the person can show by reasonable evidence that the payment was deposited in the United States mail on or before the due date.

(h) If a payment is sent via the United States mail or a nationally recognized express parcel carrier but is not received by the designated recipient, the person who sent the payment is considered to have made the payment on or before the due date if the person:

- (1) can show by reasonable evidence that the payment was deposited in the United States mail, or with the express parcel carrier, on or before the due date; and
- (2) makes a duplicate payment within thirty (30) days after the date the person is notified that the payment was not received.

SECTION 25. IC 6-1.1-39-6, AS AMENDED BY P.L.219-2007, SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. (a) An economic development district may be enlarged by the fiscal body by following the same procedure for the creation of an economic development district specified in this chapter. Property taxes that are attributable to the additional area and allocable to the economic development district are not eligible for the property tax replacement credit provided by IC 6-1.1-21-5. However, subject to subsection (c), ~~and except as provided in subsection (f);~~ each taxpayer in an additional area is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable in that year. ~~Except as provided in subsection (f);~~ One-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district in a county that contains all or part of the additional area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) that is attributable to the taxing district.

STEP TWO: Divide:

- (A) that part of the county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by
- (B) the STEP ONE sum.

STEP THREE: Multiply:

- (A) the STEP TWO quotient; times
- (B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that would have been allocated to a special fund under section 5 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated

to the economic development district and paid into a special fund under section 5(a) of this chapter.

(b) If the additional credit under subsection (a) is not reduced under subsection (c) or (d), ~~the credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (a) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an additional area. The credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (a) shall be combined~~ **applied** on the tax statements sent to each taxpayer.

(c) The county fiscal body may, by ordinance, provide that the additional credit described in subsection (a):

- (1) does not apply in a specified additional area; or
- (2) is to be reduced by a uniform percentage for all taxpayers in a specified additional area.

(d) Whenever the county fiscal body determines that granting the full additional credit under subsection (a) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that economic development district in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the county fiscal body must adopt an ordinance under subsection (c) to deny the additional credit or reduce the additional credit to a level that creates a reasonable expectation that the bonds or other obligations will be paid when due. An ordinance adopted under subsection (c) denies or reduces the additional credit for taxes (as defined in IC 6-1.1-21-2) first due and payable in any year following the year in which the ordinance is adopted.

(e) An ordinance adopted under subsection (c) remains in effect until the ordinance is rescinded by the body that originally adopted the ordinance. However, an ordinance may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that economic development district in a way that would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If an ordinance is rescinded and no other ordinance is adopted, the additional credit described in subsection (a) applies to taxes (as defined in IC 6-1.1-21-2) first due and payable in each year following the year in which the resolution is rescinded.

(f) ~~This subsection applies to an additional area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-20.9-1) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an additional area is entitled to an additional credit under subsection (a) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).~~

SECTION 26. IC 6-1.1-46 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]:

#### **Chapter 46. County Government Security Trust Fund**

**Sec. 1.** As used in this chapter, "adjusted gross income tax" refers to the state tax on adjusted gross income imposed on persons (as defined in IC 6-3-1-14).

**Sec. 2.** As used in this chapter, "department" refers to the department of state revenue.

**Sec. 3.** As used in this chapter, "distribution" refers to a distribution to a county to replace the money lost to political subdivisions in the county as a result of granting homestead credits.

**Sec. 4.** As used in this chapter, "fund" refers to the county government security trust fund established by section 10 of this chapter.

**Sec. 5.** As used in this chapter, "homestead credit" refers to a homestead credit granted under IC 6-1.1-20.9.

**Sec. 6.** As used in this chapter, "obligation" means bonds, loans, or other obligations.

**Sec. 7.** As used in this chapter, "revenue replacement account" refers to the revenue replacement account of the fund.

**Sec. 8.** As used in this chapter, "revenue shortfall account" refers to the revenue shortfall account of the fund.

**Sec. 9.** As used in this chapter, "taxable year" has the meaning set forth in IC 6-3-1-16.

**Sec. 10. (a)** The county government security trust fund is established. The fund consists of the following accounts:

- (1) The revenue replacement account.
  - (2) The revenue shortfall account.
  - (3) Any other account authorized by the budget agency.
- (b) The fund shall be administered by the budget agency.
- (c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from the investments shall be deposited in the revenue replacement account.

(d) Money may not be transferred, assigned, or otherwise removed from the fund by the state board of finance, the budget agency, or any other state agency, except as provided in this chapter.

**Sec. 11.** The department shall make the distributions required under IC 6-1.1-20.9-12 to replace revenue lost from the granting of homestead credits from the revenue replacement account. If the amount allocated by the department from the revenue replacement account exceeds in the aggregate the balance of money in the fund, the amount of the deficiency shall be transferred:

- (1) first, from the balance of the revenue replacement account; and
- (2) after the money has been exhausted under subdivision (1), from the state general fund;

to the revenue replacement account. However, any amount transferred under this section from the state general fund to the revenue replacement account shall, as soon as funds are available in the revenue replacement account, be retransferred from the revenue replacement account to the state general fund.

**Sec. 12.** Money that is not needed to make the distributions for homestead credits, as determined by the budget agency, shall be transferred from the revenue

replacement account to the revenue shortfall account. The money shall be transferred on the schedule determined by the budget agency.

Sec. 13. The budget agency may, after review by the budget committee, use money in the revenue shortfall account for the following purposes:

- (1) First, to fully fund distributions for homestead credits in years in which revenues deposited in the fund are insufficient to otherwise make all distributions.
- (2) Second, to reimburse the state for the revenue lost from the granting of residential renter's credits under IC 6-3.1-32.3.
- (3) Third, to grant, loan, or advance money to political subdivisions to provide emergency relief from a shortfall in property tax revenue resulting from any of the following:
  - (A) Erroneous assessed valuation figures that were used in setting property tax levies or rates.
  - (B) Erroneous figures that were used to determine a property tax rate.
  - (C) Reduction in a political subdivision's property tax levy under IC 6-1.1-17-16(d).
  - (D) The payment of refunds that resulted from taxpayer appeals under IC 6-1.1 or IC 6-1.5.
- (4) Fourth, to establish reserves and make payments for other credit enhancements that will reduce the cost to political subdivisions of issuing obligations.

Sec. 14. The budget agency, after review by the budget committee, shall establish written procedures for allocating money under section 13 of this chapter.

Sec. 15. The budget agency may enter into the agreements necessary to carry out this chapter, including an agreement with the Indiana finance authority or another entity to provide for the guarantee of a political subdivision's obligations or to otherwise facilitate an action described in section 13(4) of this chapter.

Sec. 16. A loan or an advance from the revenue shortfall account and any other reimbursement of the revenue shortfall account required under an agreement shall be repaid to the revenue shortfall account on the schedule, in the manner, and with the interest determined by the budget agency, after review by the budget committee.

Sec. 17. A duty to make a payment from the fund does not represent or constitute a debt of the state within the meaning of the Constitution of the State of Indiana or Indiana law.

Sec. 18. Money in an account in the fund at the end of a state fiscal year does not revert to the state general fund. However, if the unencumbered balance in the revenue shortfall account at the end of a particular state fiscal year (after deducting any amount needed to meet the requirements of this chapter, as determined by the budget agency) exceeds thirty percent (30%) of the amount deposited in the fund in the state fiscal year, the budget agency shall transfer the excess from the revenue shortfall account to the state general fund.

SECTION 27. IC 6-2.5-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. (a) The state gross retail tax is measured by the gross retail income received

by a retail merchant in a retail unitary transaction and is imposed at the following rates:

STATE GROSS RETAIL TAX	GROSS RETAIL INCOME FROM THE RETAIL UNITARY TRANSACTION		
\$ 0		less than	\$ 0.09
\$ 0.01	at least \$ 0.09	but less than	\$ 0.25
\$ 0.02	at least \$ 0.25	but less than	\$ 0.42
\$ 0.03	at least \$ 0.42	but less than	\$ 0.59
\$ 0.04	at least \$ 0.59	but less than	\$ 0.75
\$ 0.05	at least \$ 0.75	but less than	\$ 0.92
\$ 0.06	at least \$ 0.92	but less than	\$ 1.09
\$ 0		less than	\$ 0.07
\$ 0.01	at least \$ 0.07	but less than	\$ 0.21
\$ 0.02	at least \$ 0.21	but less than	\$ 0.36
\$ 0.03	at least \$ 0.36	but less than	\$ 0.50
\$ 0.04	at least \$ 0.50	but less than	\$ 0.64
\$ 0.05	at least \$ 0.64	but less than	\$ 0.78
\$ 0.06	at least \$ 0.78	but less than	\$ 0.93
\$ 0.07	at least \$ 0.93	but less than	\$ 1.08

On a retail unitary transaction in which the gross retail income received by the retail merchant is one dollar and ~~nine~~ eight cents (~~\$1.09~~) (\$1.08) or more, the state gross retail tax is ~~six~~ seven percent (~~6%~~) (7%) of that gross retail income.

(b) If the tax, computed under subsection (a), results in a fraction of one-half cent (\$0.005) or more, the amount of the tax shall be rounded to the next additional cent.

SECTION 28. IC 6-2.5-6-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. Except as otherwise provided in IC 6-2.5-7 or in this chapter, a retail merchant shall pay to the department, for a particular reporting period, an amount equal to the product of:

- (1) ~~six~~ seven percent (~~6%~~) (7%); multiplied by
- (2) the retail merchant's total gross retail income from taxable transactions made during the reporting period.

The amount determined under this section is the retail merchant's state gross retail and use tax liability regardless of the amount of tax he actually collects.

SECTION 29. IC 6-2.5-6-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. (a) For purposes of determining the amount of state gross retail and use taxes which he must remit under section 7 of this chapter, a retail merchant may exclude from his gross retail income from retail transactions made during a particular reporting period, an amount equal to the product of:

- (1) the amount of that gross retail income; multiplied by
- (2) the retail merchant's "income exclusion ratio" for the tax year which contains the reporting period.

(b) A retail merchant's "income exclusion ratio" for a particular tax year equals a fraction, the numerator of which is the retail merchant's estimated total gross retail income for the tax year from unitary retail transactions which produce gross retail income of less than ~~nine~~ eight cents (~~\$0.09~~) (\$0.08) each, and the denominator of which is the retail merchant's estimated total gross retail income for the tax year from all retail transactions.

(c) In order to minimize a retail merchant's record keeping requirements, the department shall prescribe a procedure for determining the retail merchant's income exclusion ratio for a tax year, based on a period of time, not to exceed fifteen (15) consecutive days, during the first quarter of the retail merchant's tax year. However, the period of time may be changed if the change is requested by the retail merchant because of ~~his~~ **the retail merchant's** peculiar accounting procedures or marketing factors. In addition, if a retail merchant has multiple sales locations or diverse types of sales, the department shall permit the retail merchant to determine the ratio on the basis of a representative sampling of the locations and types of sales.

SECTION 30. IC 6-2.5-6-10, AS AMENDED BY P.L.211-2007, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. (a) In order to compensate retail merchants for collecting and timely remitting the state gross retail tax and the state use tax, every retail merchant, except a retail merchant referred to in subsection (c), is entitled to deduct and retain from the amount of those taxes otherwise required to be remitted under IC 6-2.5-7-5 or under this chapter, if timely remitted, a retail merchant's collection allowance.

(b) The allowance equals a percentage of the retail merchant's state gross retail and use tax liability accrued during a calendar year, specified as follows:

(1) ~~Eighty-three~~ **Seventy-one** hundredths percent (~~0.83%~~; **0.71%**), if the retail merchant's state gross retail and use tax liability accrued during the state fiscal year ending on June 30 of the immediately preceding calendar year did not exceed sixty thousand dollars (\$60,000).

(2) ~~Six-tenths~~ **Fifty-two hundredths** percent (~~0.6%~~; **0.52%**), if the retail merchant's state gross retail and use tax liability accrued during the state fiscal year ending on June 30 of the immediately preceding calendar year:

(A) was greater than sixty thousand dollars (\$60,000); and

(B) did not exceed six hundred thousand dollars (\$600,000).

(3) ~~Three-tenths~~ **Twenty-six hundredths** percent (~~0.3%~~; **0.26%**), if the retail merchant's state gross retail and use tax liability accrued during the state fiscal year ending on June 30 of the immediately preceding calendar year was greater than six hundred thousand dollars (\$600,000).

(c) A retail merchant described in IC 6-2.5-4-5 or IC 6-2.5-4-6 is not entitled to the allowance provided by this section.

SECTION 31. IC 6-2.5-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) With respect to the sale of gasoline which is dispensed from a metered pump, a retail merchant shall collect, for each unit of gasoline sold, state gross retail tax in an amount equal to the product, rounded to the nearest one-tenth of one cent (\$0.001), of:

(1) the price per unit before the addition of state and federal taxes; multiplied by

(2) ~~six seven~~ percent (~~6%~~; **7%**).

The retail merchant shall collect the state gross retail tax prescribed in this section even if the transaction is exempt from taxation under IC 6-2.5-5.

(b) With respect to the sale of special fuel or kerosene which is dispensed from a metered pump, unless the purchaser provides an exemption certificate in accordance with IC 6-2.5-8-8, a retail merchant shall collect, for each unit of special fuel or kerosene sold, state gross retail tax in an amount equal to the product, rounded to the nearest one-tenth of one cent (\$0.001), of:

(1) the price per unit before the addition of state and federal taxes; multiplied by

(2) ~~six seven~~ percent (~~6%~~; **7%**).

Unless the exemption certificate is provided, the retail merchant shall collect the state gross retail tax prescribed in this section even if the transaction is exempt from taxation under IC 6-2.5-5.

SECTION 32. IC 6-2.5-7-5, AS AMENDED BY P.L.182-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. (a) Each retail merchant who dispenses gasoline or special fuel from a metered pump shall, in the manner prescribed in IC 6-2.5-6, report to the department the following information:

(1) The total number of gallons of gasoline sold from a metered pump during the period covered by the report.

(2) The total amount of money received from the sale of gasoline described in subdivision (1) during the period covered by the report.

(3) That portion of the amount described in subdivision (2) which represents state and federal taxes imposed under this article, IC 6-6-1.1, or Section 4081 of the Internal Revenue Code.

(4) The total number of gallons of special fuel sold from a metered pump during the period covered by the report.

(5) The total amount of money received from the sale of special fuel during the period covered by the report.

(6) That portion of the amount described in subdivision (5) that represents state and federal taxes imposed under this article, IC 6-6-2.5, or Section 4041 of the Internal Revenue Code.

(7) The total number of gallons of E85 sold from a metered pump during the period covered by the report.

(b) Concurrently with filing the report, the retail merchant shall remit the state gross retail tax in an amount which equals ~~five six and sixty-six~~ **fifty-four** hundredths percent (~~5.66%~~; **6.54%**) of the gross receipts, including state gross retail taxes but excluding Indiana and federal gasoline and special fuel taxes, received by the retail merchant from the sale of the gasoline and special fuel that is covered by the report and on which the retail merchant was required to collect state gross retail tax. The retail merchant shall remit that amount regardless of the amount of state gross retail tax which ~~he~~ **the retail merchant** has actually collected under this chapter. However, the retail merchant is entitled to deduct and retain the amounts prescribed in subsection (c), IC 6-2.5-6-10, and IC 6-2.5-6-11.

(c) A retail merchant is entitled to deduct from the amount of state gross retail tax required to be remitted under subsection (b) the amount determined under STEP THREE of the following formula:

STEP ONE: Determine:

(A) the sum of the prepayment amounts made during the period covered by the retail merchant's report; minus

(B) the sum of prepayment amounts collected by the retail merchant, in the merchant's capacity as a qualified distributor, during the period covered by the retail merchant's report.

STEP TWO: Subject to subsection (d), for reporting periods ending before July 1, 2020, determine the product of:

(A) eighteen cents (\$0.18); multiplied by

(B) the number of gallons of E85 sold at retail by the retail merchant during the period covered by the retail merchant's report.

STEP THREE: Add the amounts determined under STEPS ONE and TWO.

For purposes of this section, a prepayment of the gross retail tax is presumed to occur on the date on which it is invoiced.

(d) The total amount of deductions allowed under subsection (c) STEP TWO may not exceed one million dollars (\$1,000,000) for all retail merchants in all reporting periods. A retail merchant is not required to apply for an allocation of deductions under subsection (c) STEP TWO. If the department determines that the sum of:

(1) the deductions that would otherwise be reported under subsection (c) STEP TWO for a reporting period; plus

(2) the total amount of deductions granted under subsection

(c) STEP TWO in all preceding reporting periods;

will exceed one million dollars (\$1,000,000), the department shall publish in the Indiana Register a notice that the deduction program under subsection (c) STEP TWO is terminated after the date specified in the notice and that no additional deductions will be granted for retail transactions occurring after the date specified in the notice.

SECTION 33. IC 6-2.5-10-1, AS AMENDED BY P.L.234-2007, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE AUGUST 1, 2008]: Sec. 1. (a) The department shall account for all state gross retail and use taxes that it collects.

(b) The department shall deposit those collections in the following manner:

(1) ~~Forty-nine and sixty-seven thousandths one hundred ninety-four thousandths~~ **Forty-nine and sixty-seven thousandths one hundred ninety-four thousandths** percent (~~49.067%~~) (**49.194%**) of the collections shall be paid into the state general fund.

(2) ~~Forty-nine and sixty-seven thousandths one hundred ninety-four thousandths~~ **Forty-nine and sixty-seven thousandths one hundred ninety-four thousandths** percent (~~49.067%~~) (**49.194%**) of the collections shall be paid into the state general fund.

(3) ~~Forty-nine and sixty-seven thousandths one hundred ninety-four thousandths~~ **Forty-nine and sixty-seven thousandths one hundred ninety-four thousandths** percent (~~49.067%~~) (**49.194%**) of the collections shall be paid into the state general fund.

(4) ~~Seventy-six hundredths Six hundred fifty thousandths~~ **Seventy-six hundredths Six hundred fifty thousandths** of one percent (~~0.76%~~) (**0.650%**) of the collections shall be paid into the public mass transportation fund established by IC 8-23-3-8.

(5) ~~Thirty-three Twenty-eight thousandths~~ **Thirty-three Twenty-eight thousandths** of one percent (~~0.033%~~) (**0.028%**) of the collections shall be deposited into the industrial rail service fund established under IC 8-3-1.7-2.

(6) ~~Forty-nine and sixty-seven thousandths one hundred ninety-four thousandths~~ **Forty-nine and sixty-seven thousandths one hundred ninety-four thousandths** of one percent (~~0.14%~~) (**0.121%**) of the collections shall be deposited into the commuter rail service fund established under IC 8-3-1.5-20.5.

SECTION 34. IC 6-3-1-3.5, AS AMENDED BY P.L.144-2007, SECTION 3, AS AMENDED BY P.L.211-2007, SECTION 19, AND AS AMENDED BY P.L.223-2007, SECTION 1, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3.5. When used in this article, the term "adjusted gross income" shall mean the following:

(a) In the case of all individuals, "adjusted gross income" (as defined in Section 62 of the Internal Revenue Code), modified as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(3) Subtract one thousand dollars (\$1,000), or in the case of a joint return filed by a husband and wife, subtract for each spouse one thousand dollars (\$1,000).

(4) Subtract one thousand dollars (\$1,000) for:

(A) each of the exemptions provided by Section 151(c) of the Internal Revenue Code;

(B) each additional amount allowable under Section 63(f) of the Internal Revenue Code; and

(C) the spouse of the taxpayer if a separate return is made by the taxpayer and if the spouse, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.

(5) Subtract:

(A) for taxable years beginning after December 31, 2004, one thousand five hundred dollars (\$1,500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal Revenue Code (as effective January 1, 2004); and

(B) five hundred dollars (\$500) for each additional amount allowable under Section 63(f)(1) of the Internal Revenue Code if the adjusted gross income of the taxpayer, or the taxpayer and the taxpayer's spouse in the case of a joint return, is less than forty thousand dollars (\$40,000).

This amount is in addition to the amount subtracted under subdivision (4).

(6) Subtract an amount equal to the lesser of:

(A) that part of the individual's adjusted gross income (as defined in Section 62 of the Internal Revenue Code) for that taxable year that is subject to a tax that is imposed by a political subdivision of another state and that is imposed on or measured by income; or

(B) two thousand dollars (\$2,000).

(7) Add an amount equal to the total capital gain portion of a lump sum distribution (as defined in Section 402(e)(4)(D) of the Internal Revenue Code) if the lump sum distribution

is received by the individual during the taxable year and if the capital gain portion of the distribution is taxed in the manner provided in Section 402 of the Internal Revenue Code.

(8) Subtract any amounts included in federal adjusted gross income under Section 111 of the Internal Revenue Code as a recovery of items previously deducted as an itemized deduction from adjusted gross income.

(9) Subtract any amounts included in federal adjusted gross income under the Internal Revenue Code which amounts were received by the individual as supplemental railroad retirement annuities under 45 U.S.C. 231 and which are not deductible under subdivision (1).

(10) Add an amount equal to the deduction allowed under Section 221 of the Internal Revenue Code for married couples filing joint returns if the taxable year began before January 1, 1987.

(11) Add an amount equal to the interest excluded from federal gross income by the individual for the taxable year under Section 128 of the Internal Revenue Code if the taxable year began before January 1, 1985.

(12) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.

(13) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to an amount which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

(14) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

(15) In the case of an eligible individual, subtract the amount of a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.

(16) For taxable years beginning after December 31, 1999, subtract an amount equal to the portion of any premiums paid during the taxable year by the taxpayer for a qualified long term care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's spouse, or both.

~~(17)~~ Subtract an amount equal to the lesser of:

(A) for a taxable year:

(i) including any part of 2004, the amount determined under subsection (f); and

(ii) beginning after December 31, 2004, two thousand five hundred dollars (\$2,500); or

(B) the amount of property taxes that are paid during the taxable year in Indiana by the individual on the individual's principal place of residence.

~~(18)~~ (17) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.

~~(19)~~ (18) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

~~(20)~~ (19) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

~~(21)~~ (20) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

~~(22)~~ (21) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

~~(23)~~ (22) Subtract an amount equal to the amount of the taxpayer's qualified military income that was not excluded from the taxpayer's gross income for federal income tax purposes under Section 112 of the Internal Revenue Code.

(23) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the individual's federal adjusted gross income under the Internal Revenue Code.

(b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code.

(3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed

in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) Add to the extent required by IC 6-3-2-20 the amount of intangible expenses (as defined in IC 6-3-2-20) and any directly related intangible interest expenses (as defined in IC 6-3-2-20) for the taxable year that reduced the corporation's taxable income (as defined in Section 63 of the Internal Revenue Code) for federal income tax purposes.

(10) Add an amount equal to any deduction for dividends paid (as defined in Section 561 of the Internal Revenue Code) to shareholders of a captive real estate investment trust (as defined in section 34.5 of this chapter).

~~(10)~~ (11) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the corporation's taxable income under the Internal Revenue Code.

(c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 or Section 810 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the insurance company's taxable income under the Internal Revenue Code.

(d) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the insurance company's taxable income under the Internal Revenue Code.

(e) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.

(3) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(4) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(6) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(7) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the taxpayer's taxable income under the Internal Revenue Code.

(f) This subsection applies only to the extent that an individual paid property taxes in 2004 that were imposed for the March 1, 2002, assessment date or the January 15, 2003, assessment date. The maximum amount of the deduction under subsection (a)(17) is equal to the amount determined under STEP FIVE of the following formula:

STEP ONE: Determine the amount of property taxes that the taxpayer paid after December 31, 2003, in the taxable year for property taxes imposed for the March 1, 2002, assessment date and the January 15, 2003, assessment date:

STEP TWO: Determine the amount of property taxes that the taxpayer paid in the taxable year for the March 1, 2003, assessment date and the January 15, 2004, assessment date:

STEP THREE: Determine the result of the STEP ONE amount divided by the STEP TWO amount:

STEP FOUR: Multiply the STEP THREE amount by two thousand five hundred dollars (\$2,500):

STEP FIVE: Determine the sum of the STEP FOUR amount and two thousand five hundred dollars (\$2,500):

SECTION 35. IC 6-3-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. (a) Each taxable year, a tax at the rate of ~~three and four-tenths~~ **five** percent ~~(3.4%)~~ **(5%)** of adjusted gross income is imposed upon the adjusted gross income of every resident person, and on that part of the adjusted gross income derived from sources within Indiana of every nonresident person.

(b) Except as provided in section 1.5 of this chapter, each taxable year, a tax at the rate of eight and five-tenths percent (8.5%) of adjusted gross income is imposed on that part of the adjusted gross income derived from sources within Indiana of every corporation.

SECTION 36. IC 6-3-2-4, AS AMENDED BY P.L.144-2007, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. (a) Each taxable year, an individual, or the individual's surviving spouse, is entitled to an adjusted gross income tax deduction for the first five thousand dollars (\$5,000) of income, including retirement or survivor's benefits, received during the taxable year by the individual, or the individual's surviving spouse, for the individual's service in an active or reserve component of the armed forces of the United States, including the army, navy, air force, coast guard, marine corps, merchant marine, Indiana army national guard, or Indiana air national guard. However, a person who is less than sixty (60) years of age on the last day of the person's taxable year is not, for that taxable year, entitled to a deduction under this section for retirement or survivor's benefits.

(b) An individual whose qualified military income is subtracted from the individual's federal adjusted gross income under ~~IC 6-3-1-3.5(a)(23)~~ **IC 6-3-1-3.5(a)(22)** for Indiana individual income tax purposes is not, for that taxable year, entitled to a deduction under this section for the individual's qualified military income.

SECTION 37. IC 6-3-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE AUGUST 1, 2008]: Sec. 3. (a) ~~At~~ **The** revenues derived from collection of the adjusted gross income tax imposed on corporations shall be deposited in the state general fund.

(b) All revenues derived from collection of the adjusted gross income tax imposed on persons shall be deposited as follows:

(1) ~~Eighty-six~~ **Fifty-eight and forty-eight hundredths** percent ~~(86%)~~ **(58.48%)** in the state general fund.

(2) **Thirty-two percent (32%) in the county government security trust fund established by IC 6-1.1-46-10.**

~~(2) Fourteen~~ **(3) Nine and fifty-two hundredths** percent ~~(14%)~~ **(9.52%)** in the property tax replacement fund.

SECTION 38. IC 6-3.1-32.3 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:



**Chapter 32.3. Residential Renter's Credit**

**Sec. 1.** As used in this chapter, "credit" refers to a credit granted by this chapter against adjusted gross income.

**Sec. 2. (a)** As used in this chapter, a "dwelling" includes a single family dwelling and unit of a multifamily dwelling.

**(b)** The term does not include a dwelling that is exempt from Indiana property tax.

**Sec. 3.** An individual who rents a dwelling for use as the individual's principal place of residence is entitled to a credit against the individual's adjusted gross income.

**Sec. 4.** The amount of the credit is equal to eight percent (8%) of the amount of rent paid by the individual with respect to the dwelling during the taxable year.

**Sec. 5.** A husband and wife filing a joint adjusted gross income tax return for a particular taxable year may not claim more than one (1) credit in a taxable year.

**Sec. 6.** If the amount of a credit for which an individual is eligible in a taxable year exceeds the individual's adjusted gross income tax liability for the taxable year, the individual is entitled to elect to:

- (1) receive a refund of the excess credit; or
- (2) carry the excess over to the following taxable years, if the individual does not elect to have the excess refunded.

The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the individual to obtain a credit under this chapter for any subsequent taxable year. An individual is not entitled to a carryback.

**Sec. 7.** To receive the credit, an individual must claim the credit on the individual's state tax return or returns in the manner prescribed by the department. The individual must submit to the department all information that the department determines is necessary to determine the individual's eligibility for the credit.

SECTION 39. IC 6-3.5-1.1-11, AS AMENDED BY P.L.224-2007, SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 11. (a) Except for:

- (1) revenue that must be used to pay the costs of:
  - (A) financing, constructing, acquiring, improving, renovating, equipping, operating, or maintaining facilities and buildings;
  - (B) debt service on bonds; or
  - (C) lease rentals;
 under section 2.3 of this chapter;
- (2) revenue that must be used to pay the costs of operating a jail and juvenile detention center under section 2.5(d) of this chapter;
- (3) revenue that must be used to pay the costs of:
  - (A) financing, constructing, acquiring, improving, renovating, equipping, operating, or maintaining facilities and buildings;
  - (B) debt service on bonds; or
  - (C) lease rentals;
 under section 2.8 of this chapter;
- (4) revenue that must be used to pay the costs of construction, improvement, renovation, or remodeling of a

jail and related buildings and parking structures under section 2.7, 2.9, or 3.3 of this chapter;

(5) revenue that must be used to pay the costs of operating and maintaining a jail and justice center under section 3.5(d) of this chapter;

(6) revenue that must be used to pay the costs of constructing, acquiring, improving, renovating, or equipping a county courthouse under section 3.6 of this chapter; or

(7) revenue attributable to a tax rate under section 24, 25, or 26 of this chapter;

the certified distribution received by a county treasurer shall, in the manner prescribed in this section, be allocated, distributed, and used by the civil taxing units and school corporations of the county as certified shares and property tax replacement credits.

(b) Before August 10 of each calendar year, each county auditor shall determine the part of the certified distribution for the next succeeding calendar year that will be allocated as property tax replacement credits and the part that will be allocated as certified shares. The percentage of a certified distribution that will be allocated as property tax replacement credits or as certified shares depends upon the county adjusted gross income tax rate for resident county taxpayers in effect on August 1 of the calendar year that precedes the year in which the certified distribution will be received by two (2) years. The percentages are set forth in the following table:

COUNTY ADJUSTED GROSS INCOME TAX RATE	PROPERTY TAX REPLACEMENT CREDITS	CERTIFIED SHARES
0.5%	50%	50%
0.75%	33 1/3%	66 2/3%
1%	25%	75%
0.5%	25%	75%
0.75%	16 2/3%	83 1/3%
1%	12 1/2%	87 1/2%

(c) The part of a certified distribution that constitutes property tax replacement credits shall be distributed as provided under sections 12, 13, and 14 of this chapter.

(d) The part of a certified distribution that constitutes certified shares shall be distributed as provided by section 15 of this chapter.

SECTION 40. IC 6-3.5-1.1-26, AS ADDED BY P.L.224-2007, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 26. (a) A county council may impose a tax rate under this section to provide property tax relief to political subdivisions in the county. A county council is not required to impose any other tax before imposing a tax rate under this section.

(b) A tax rate under this section may be imposed in increments of five hundredths of one percent (0.05%) determined by the county council. A tax rate under this section may not exceed one percent (1%).

(c) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(d) If a county council adopts an ordinance to impose or increase a tax rate under this section, the county auditor shall

send a certified copy of the ordinance to the department and the department of local government finance by certified mail.

(e) A tax rate under this section may be imposed, increased, decreased, or rescinded by a county council at the same time and in the same manner that the county council may impose or increase a tax rate under section 24 of this chapter.

(f) Tax revenue attributable to a tax rate under this section may be used for any combination of the following purposes, as specified by ordinance of the county council:

(1) The tax revenue may be used to provide local property tax replacement credits at a uniform rate to all taxpayers in the county. Any tax revenue that is attributable to the tax rate under this section and that is used to provide local property tax replacement credits under this subdivision shall be distributed to civil taxing units and school corporations in the county in the same manner that certified distributions are allocated as property tax replacement credits under section 12 of this chapter. The department of local government finance shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive under this subdivision. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits the civil taxing unit or school corporation is entitled to receive under this subdivision during that calendar year. **The property tax replacement credit shall be applied after any credit available under IC 6-1.1-20.9, IC 6-1.1-21, IC 6-3.5-7-26, or section 11 of this chapter.**

(2) The tax revenue may be used to uniformly increase the homestead credit percentage in the county. The additional homestead credits shall be treated for all purposes as property tax levies. The additional homestead credits do not reduce the basis for determining the state homestead credit under IC 6-1.1-20.9. The additional homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1. The department of local government finance shall determine the additional homestead credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide additional homestead credits in that year.

~~(3)~~ (2) The tax revenue may be used to provide local property tax replacement credits at a uniform rate for all qualified residential property (as defined in ~~IC 6-1.1-20.6-4~~) consisting of:

(A) real property consisting of not more than four (4) units that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more;

(B) mobile homes (as defined in IC 6-1.1-1-8.7) that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more; and

**(C) real property consisting of at least five (5) units that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more;**

in the county, **including not more than one (1) acre used for residential purposes on which the real property or mobile homes are located, regardless of whether the property is classified as residential or commercial under the rules adopted by the department of local government finance.** Any tax revenue that is attributable to the tax rate under this section and that is used to provide local property tax replacement credits under this subdivision shall be distributed to civil taxing units and school corporations in the county in the same manner that certified distributions are allocated as property tax replacement credits under section 12 of this chapter. The department of local government finance shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive under this subdivision. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits the civil taxing unit or school corporation is entitled to receive under this subdivision during that calendar year. **The property tax replacement credit shall be applied after any credit available under IC 6-1.1-20.9, IC 6-1.1-21, IC 6-3.5-7-26, or section 11 of this chapter.**

(g) The tax rate under this section and the tax revenue attributable to the tax rate under this section shall not be considered for purposes of computing:

(1) the maximum income tax rate that may be imposed in a county under section 2 of this chapter or any other provision of this chapter;

(2) the maximum permissible property tax levy under STEP EIGHT of IC 6-1.1-18.5-3(b); or

(3) the total county tax levy under IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5).

(h) Tax revenue under this section shall be treated as a part of the receiving civil taxing unit's or school corporation's property tax levy for that year for purposes of fixing the budget of the civil taxing unit or school corporation and for determining the distribution of taxes that are distributed on the basis of property tax levies.

(i) The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

**(j) The amount of property tax replacement credits that each civil taxing unit and school corporation in a county is entitled to receive under subsection (f)(2) during a calendar year equals the product of:**

**(1) the tax revenue attributable to a tax rate under this section that is dedicated to property tax replacement credits under subsection (f)(2); multiplied by**

**(2) the following fraction:**

**(A) The numerator of the fraction equals the total property taxes being collected in the county by the civil taxing unit or school corporation during the**

calendar year of the distribution.

**(B) The denominator of the fraction equals the sum of the total property taxes being collected in the county by all civil taxing units and school corporations of the county during the calendar year of the distribution.**

**The department of local government finance shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive under subsection (f)(2). The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits the civil taxing unit or school corporation is entitled to receive under subsection (f)(2) during that calendar year. The county auditor shall also certify these distributions to the county treasurer. Except as provided in subsection (g), the local property tax replacement credits shall be treated for all purposes as property tax levies.**

SECTION 41. IC 6-3.5-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. (a) A county income tax council is established for each county in Indiana. The membership of each county's county income tax council consists of the fiscal body of the county and the fiscal body of each city or town that lies either partially or entirely within that county.

(b) Using procedures described in this chapter, a county income tax council may adopt ordinances to:

- (1) impose the county option income tax in its county;
- (2) subject to section 12 of this chapter, rescind the county option income tax in its county;
- (3) increase the county option income tax rate for the county;
- (4) freeze the county option income tax rate for its county;
- (5) ~~increase the homestead~~ **provide a property tax replacement credit in its county under section 13 of this chapter;** or
- (6) subject to section 12.5 of this chapter, decrease the county option income tax rate for the county.

(c) An ordinance adopted in a particular year under this chapter to impose or rescind the county option income tax or to increase its tax rate is effective July 1 of that year.

SECTION 42. IC 6-3.5-6-13, AS AMENDED BY P.L.224-2007, SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 13. (a) A county income tax council of a county in which the county option income tax is in effect may adopt an ordinance to ~~increase the percentage credit allowed for homesteads in its county under IC 6-1.1-20.9-2.~~ **provide a property tax replacement credit in the county.**

(b) A county income tax council may not ~~increase the~~ **provide a property tax replacement credit** percentage credit allowed for homesteads by an under this section that would provide a total amount of credits in a year that exceeds the amount determined in the last STEP of the following formula:

STEP ONE: Determine the amount of the sum of all property tax levies for all taxing units in a county which are

to be paid in the county in 2003 as reflected by the auditor's abstract for the 2002 assessment year, adjusted, however, for any postabstract adjustments which change the amount of the levies.

STEP TWO: Determine the amount of the county's estimated property tax replacement under IC 6-1.1-21-3(a) for property taxes first due and payable in 2003.

STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.

STEP FOUR: Determine the amount of the county's total county levy (as defined in IC 6-1.1-21-2(g)) for property taxes first due and payable in 2003.

STEP FIVE: Subtract the STEP FOUR amount from the STEP ONE amount.

STEP SIX: Subtract the STEP FIVE result from the STEP THREE result.

STEP SEVEN: Divide the STEP THREE result by the STEP SIX result.

STEP EIGHT: Multiply the STEP SEVEN result by eight-hundredths (0.08).

STEP NINE: Round the STEP EIGHT product to the nearest one-thousandth (0.001) and express the result as a percentage.

~~(c) The increase of the homestead credit percentage must be uniform for all homesteads in a county: tax revenue may be used to provide local property tax replacement credits at a uniform rate to all taxpayers in the county. The department of local government finance shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive under this subsection. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits the civil taxing unit or school corporation is entitled to receive under this subsection during that calendar year.~~

(d) In the ordinance that ~~increases the homestead~~ **provides a credit percentage under this section**, a county income tax council may provide for a series of increases or decreases to take place for each of a group of succeeding calendar years.

(e) An ordinance may be adopted under this section after March 31 but before August 1 of a calendar year.

(f) An ordinance adopted under this section takes effect on January 1 of the next succeeding calendar year.

(g) Any ordinance adopted under this section for a county is repealed for a year if on January 1 of that year the county option income tax is not in effect.

**(h) A credit under this section shall be applied after the total property tax liability imposed against property covered by the credit after the application of all deductions to which the property is entitled and all credits granted under IC 6-1.1-20.9, IC 6-1.1-21, or IC 6-3.5-7-26.**

SECTION 43. IC 6-3.5-6-18, AS AMENDED BY P.L.224-2007, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 18. (a) The revenue a county auditor receives under this chapter shall be used to:

- (1) replace the amount, if any, of property tax revenue lost due to the allowance of an increased homestead credit within the county;
- (2) fund the operation of a public communications system and computer facilities district as provided in an election, if any, made by the county fiscal body under IC 36-8-15-19(b);
- (3) fund the operation of a public transportation corporation as provided in an election, if any, made by the county fiscal body under IC 36-9-4-42;
- (4) make payments permitted under IC 36-7-15.1-17.5;
- (5) make payments permitted under subsection (i);
- (6) make distributions of distributive shares to the civil taxing units of a county; and
- (7) make the distributions permitted under sections 27, 28, 29, 30, 31, 32, and 33 of this chapter.

(b) The county auditor shall retain from the payments of the county's certified distribution an amount equal to the revenue lost, if any, due to ~~the increase of the homestead~~ **a property tax replacement credit established under section 13 of this chapter** within the county. This money shall be distributed to the civil taxing units and school corporations of the county as though they were property tax collections and in such a manner that no civil taxing unit or school corporation shall suffer a net revenue loss due to the allowance of ~~an increased homestead~~ **the property tax replacement** credit.

(c) The county auditor shall retain:

- (1) the amount, if any, specified by the county fiscal body for a particular calendar year under subsection (i), IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from the county's certified distribution for that same calendar year; and
- (2) the amount of an additional tax rate imposed under section 27, 28, 29, 30, 31, 32, or 33 of this chapter.

The county auditor shall distribute amounts retained under this subsection to the county.

(d) All certified distribution revenues that are not retained and distributed under subsections (b) and (c) shall be distributed to the civil taxing units of the county as distributive shares.

(e) The amount of distributive shares that each civil taxing unit in a county is entitled to receive during a month equals the product of the following:

- (1) The amount of revenue that is to be distributed as distributive shares during that month; multiplied by
- (2) A fraction. The numerator of the fraction equals the allocation amount for the civil taxing unit for the calendar year in which the month falls. The denominator of the fraction equals the sum of the allocation amounts of all the civil taxing units of the county for the calendar year in which the month falls.

(f) The department of local government finance shall provide each county auditor with the fractional amount of distributive shares that each civil taxing unit in the auditor's county is entitled to receive monthly under this section.

(g) Notwithstanding subsection (e), if a civil taxing unit of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which distributive shares are being distributed under this section, that civil taxing unit is

entitled to receive a part of the revenue to be distributed as distributive shares under this section within the county. The fractional amount such a civil taxing unit is entitled to receive each month during that calendar year equals the product of the following:

- (1) The amount to be distributed as distributive shares during that month; multiplied by
- (2) A fraction. The numerator of the fraction equals the budget of that civil taxing unit for that calendar year. The denominator of the fraction equals the aggregate budgets of all civil taxing units of that county for that calendar year.

(h) If for a calendar year a civil taxing unit is allocated a part of a county's distributive shares by subsection (g), then the formula used in subsection (e) to determine all other civil taxing units' distributive shares shall be changed each month for that same year by reducing the amount to be distributed as distributive shares under subsection (e) by the amount of distributive shares allocated under subsection (g) for that same month. The department of local government finance shall make any adjustments required by this subsection and provide them to the appropriate county auditors.

(i) Notwithstanding any other law, a county fiscal body may pledge revenues received under this chapter (other than revenues attributable to a tax rate imposed under section 30, 31, or 32 of this chapter) to the payment of bonds or lease rentals to finance a qualified economic development tax project under IC 36-7-27 in that county or in any other county if the county fiscal body determines that the project will promote significant opportunities for the gainful employment or retention of employment of the county's residents.

SECTION 44. IC 6-3.5-6-30, AS ADDED BY P.L.224-2007, SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 30. (a) In a county in which the county option income tax is in effect, the county income tax council may, before August 1 of a year, adopt an ordinance to impose or increase (as applicable) a tax rate under this section.

(b) In a county in which neither the county option adjusted gross income tax nor the county option income tax is in effect, the county income tax council may, before August 1 of a year, adopt an ordinance to impose a tax rate under this section.

(c) An ordinance adopted under this section takes effect October 1 of the year in which the ordinance is adopted. If a county income tax council adopts an ordinance to impose or increase a tax rate under this section, the county auditor shall send a certified copy of the ordinance to the department and the department of local government finance by certified mail.

(d) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(e) The following apply only in the year in which a county income tax council first imposes a tax rate under this section:

- (1) The county income tax council shall, in the ordinance imposing the tax rate, specify the tax rate for each of the following two (2) years.
- (2) The tax rate that must be imposed in the county from October 1 of the year in which the tax rate is imposed through September 30 of the following year is equal to the

result of:

(A) the tax rate determined for the county under IC 6-3.5-1.5-1(a) in that year; multiplied by

(B) the following:

(i) In a county containing a consolidated city, one and five-tenths (1.5).

(ii) In a county other than a county containing a consolidated city, two (2).

(3) The tax rate that must be imposed in the county from October 1 of the following year through September 30 of the year after the following year is the tax rate determined for the county under IC 6-3.5-1.5-1(b). The tax rate under this subdivision continues in effect in later years unless the tax rate is increased under this section.

(4) The levy limitations in IC 6-1.1-18.5-3(g), IC 6-1.1-18.5-3(h), IC 12-19-7-4(b), IC 12-19-7.5-6(b), and IC 12-29-2-2(c) apply to property taxes first due and payable in the ensuing calendar year and to property taxes first due and payable in the calendar year after the ensuing calendar year.

(f) The following apply only in a year in which a county income tax council increases a tax rate under this section.

(1) The county income tax council shall, in the ordinance increasing the tax rate, specify the tax rate for the following year.

(2) The tax rate that must be imposed in the county from October 1 of the year in which the tax rate is increased through September 30 of the following year is equal to the result of:

(A) the tax rate determined for the county under IC 6-3.5-1.5-1(a) in the year the tax rate is increased; plus

(B) the tax rate currently in effect in the county under this section.

The tax rate under this subdivision continues in effect in later years unless the tax rate is increased under this section.

(3) The levy limitations in IC 6-1.1-18.5-3(g), IC 6-1.1-18.5-3(h), IC 12-19-7-4(b), IC 12-19-7.5-6(b), and IC 12-29-2-2(c) apply to property taxes first due and payable in the ensuing calendar year.

(g) The department of local government finance shall determine the following property tax replacement distribution amounts:

STEP ONE: Determine the sum of the amounts determined under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) for the county in the preceding year.

STEP TWO: For distribution to each civil taxing unit that in the year had a maximum permissible property tax levy limited under IC 6-1.1-18.5-3(g), determine the result of:

(1) the quotient of:

(A) the part of the amount determined under STEP ONE of IC 6-3.5-1.5-1(a) in the preceding year that was attributable to the civil taxing unit; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP THREE: For distribution to the county for deposit in

the county family and children's fund, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP TWO of IC 6-3.5-1.5-1(a) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP FOUR: For distribution to the county for deposit in the county children's psychiatric residential treatment services fund, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP THREE of IC 6-3.5-1.5-1(a) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP FIVE: For distribution to the county for community mental health center purposes, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP FOUR of IC 6-3.5-1.5-1(a) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

Except as provided in subsection (m), the county treasurer shall distribute the portion of the certified distribution that is attributable to a tax rate under this section as specified in this section. The county treasurer shall make the distributions under this subsection at the same time that distributions are made to civil taxing units under section 18 of this chapter.

(h) Notwithstanding sections 12 and 12.5 of this chapter, a county income tax council may not decrease or rescind a tax rate imposed under this chapter.

(i) The tax rate under this section shall not be considered for purposes of computing:

(1) the maximum income tax rate that may be imposed in a county under section 8 or 9 of this chapter or any other provision of this chapter; or

(2) the maximum permissible property tax levy under STEP EIGHT of IC 6-1.1-18.5-3(b).

(j) The tax levy under this section shall not be considered for purposes of computing the total county tax levy under IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5).

(k) A distribution under this section shall be treated as a part of the receiving civil taxing unit's property tax levy for that year for purposes of fixing its budget and for determining the distribution of taxes that are distributed on the basis of property tax levies.

(l) If a county income tax council imposes a tax rate under this section, the county option income tax rate dedicated **under section 13 of this chapter** to locally funded ~~homestead~~ credits in the county may not be decreased.

(m) In the year following the year in which a county first imposes a tax rate under this section:

(1) one-third (1/3) of the tax revenue that is attributable to the tax rate under this section must be deposited in the county stabilization fund established under subsection (o),

in the case of a county containing a consolidated city; and  
 (2) one-half (1/2) of the tax revenue that is attributable to the tax rate under this section must be deposited in the county stabilization fund established under subsection (o), in the case of a county not containing a consolidated city.

(n) A pledge of county option income taxes does not apply to revenue attributable to a tax rate under this section.

(o) A county stabilization fund is established in each county that imposes a tax rate under this section. The county stabilization fund shall be administered by the county auditor. If for a year the certified distributions attributable to a tax rate under this section exceed the amount calculated under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section, the excess shall be deposited in the county stabilization fund. Money shall be distributed from the county stabilization fund in a year by the county auditor to political subdivisions entitled to a distribution of tax revenue attributable to the tax rate under this section if:

(1) the certified distributions attributable to a tax rate under this section are less than the amount calculated under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section for a year; or

(2) the certified distributions attributable to a tax rate under this section in a year are less than the certified distributions attributable to a tax rate under this section in the preceding year.

However, subdivision (2) does not apply to the year following the first year in which certified distributions of revenue attributable to the tax rate under this section are distributed to the county.

(p) Notwithstanding any other provision, a tax rate imposed under this section may not exceed one percent (1%).

(q) The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

(r) Notwithstanding any other provision, in Lake County the county council (and not the county income tax council) is the entity authorized to take actions concerning the additional tax rate under this section.

SECTION 45. IC 6-3.5-6-32, AS ADDED BY P.L.224-2007, SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 32. (a) A county income tax council may impose a tax rate under this section to provide property tax relief to political subdivisions in the county. A county income tax council is not required to impose any other tax before imposing a tax rate under this section.

(b) A tax rate under this section may be imposed in increments of five hundredths of one percent (0.05%) determined by the county income tax council. A tax rate under this section may not exceed one percent (1%).

(c) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(d) If a county income tax council adopts an ordinance to impose or increase a tax rate under this section, the county auditor shall send a certified copy of the ordinance to the department and the department of local government finance by certified mail.

(e) A tax rate under this section may be imposed, increased, decreased, or rescinded at the same time and in the same manner that the county income tax council may impose or increase a tax rate under section 30 of this chapter.

(f) Tax revenue attributable to a tax rate under this section may be used for any combination of the following purposes, as specified by ordinance of the county income tax council:

(1) The tax revenue may be used to provide local property tax replacement credits at a uniform rate to civil taxing units and school corporations in the county. The amount of property tax replacement credits that each civil taxing unit and school corporation in a county is entitled to receive under this subdivision during a calendar year equals the product of:

(A) the tax revenue attributable to a tax rate under this section that is dedicated to property tax replacement credits under this subdivision; multiplied by

(B) the following fraction:

(i) The numerator of the fraction equals the total property taxes being collected in the county by the civil taxing unit or school corporation during the calendar year of the distribution.

(ii) The denominator of the fraction equals the sum of the total property taxes being collected in the county by all civil taxing units and school corporations of the county during the calendar year of the distribution.

The department of local government finance shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive under this subdivision. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits the civil taxing unit or school corporation is entitled to receive under this subdivision during that calendar year. The county auditor shall also certify these distributions to the county treasurer. Except as provided in subsection (g), the local property tax replacement credits shall be treated for all purposes as property tax levies. **The property tax replacement credit shall be applied after any credit available under IC 6-1.1-20.9, IC 6-1.1-21, IC 6-3.5-7-26, or section 13 of this chapter.**

(2) The tax revenue may be used to uniformly increase the homestead credit percentage in the county. The additional homestead credits shall be treated for all purposes as property tax levies. The additional homestead credits do not reduce the basis for determining the state homestead credit under IC 6-1.1-20.9. The additional homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1. The department of local government finance shall determine the additional

homestead credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide additional homestead credits in that year.

~~(3)~~ **(2)** The tax revenue may be used to provide local property tax replacement credits at a uniform rate for all qualified residential property ~~(as defined in IC 6-1.1-20.6-4)~~ consisting of:

**(A) real property consisting of not more than four (4) units that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more;**

**(B) mobile homes (as defined in IC 6-1.1-1-8.7) that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more; and**

**(C) real property consisting of at least five (5) units that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more;**

in the county, including not more than one (1) acre used for residential purposes on which the real property or mobile homes are located, regardless of whether the property is classified as residential or commercial under the rules adopted by the department of local government finance. The amount of property tax replacement credits that each civil taxing unit and school corporation in a county is entitled to receive under this subdivision during a calendar year equals the product of:

**(A) the tax revenue attributable to a tax rate under this section that is dedicated to property tax replacement credits under this subdivision; multiplied by**

**(B) the following fraction:**

**(i) The numerator of the fraction equals the total property taxes being collected in the county by the civil taxing unit or school corporation during the calendar year of the distribution:**

**(ii) The denominator of the fraction equals the sum of the total property taxes being collected in the county by all civil taxing units and school corporations of the county during the calendar year of the distribution:**

The department of local government finance shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive under this subdivision. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits the civil taxing unit or school corporation is entitled to receive under this subdivision during that calendar year. The county auditor shall also certify these distributions to the county treasurer. Except as provided in subsection (g), the local property tax replacement credits shall be treated for all purposes as property tax levies; determined under subsection (k).

**The property tax replacement credit shall be applied after any credit available under IC 6-1.1-20.9, IC 6-1.1-21, IC 6-3.5-7-26, or section 13 of this chapter.**

**(g)** The tax rate under this section shall not be considered for purposes of computing:

**(1) the maximum income tax rate that may be imposed in a county under section 8 or 9 of this chapter or any other provision of this chapter; or**

**(2) the maximum permissible property tax levy under STEP EIGHT of IC 6-1.1-18.5-3(b).**

**(h)** Tax revenue under this section shall be treated as a part of the receiving civil taxing unit's or school corporation's property tax levy for that year for purposes of fixing the budget of the civil taxing unit or school corporation and for determining the distribution of taxes that are distributed on the basis of property tax levies.

**(i)** The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

**(j)** Notwithstanding any other provision, in Lake County the county council (and not the county income tax council) is the entity authorized to take actions concerning the tax rate under this section.

**(k) The amount of property tax replacement credits that each civil taxing unit and school corporation in a county is entitled to receive under subsection (f)(2) during a calendar year equals the product of:**

**(1) the tax revenue attributable to a tax rate under this section that is dedicated to property tax replacement credits under subsection (f)(2); multiplied by**

**(2) the following fraction:**

**(A) The numerator of the fraction equals the total property taxes being collected in the county by the civil taxing unit or school corporation during the calendar year of the distribution.**

**(B) The denominator of the fraction equals the sum of the total property taxes being collected in the county by all civil taxing units and school corporations of the county during the calendar year of the distribution.**

The department of local government finance shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive under subsection (f)(2). The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits the civil taxing unit or school corporation is entitled to receive under subsection (f)(2) during that calendar year. The county auditor shall also certify these distributions to the county treasurer. Except as provided in subsection (g), the local property tax replacement credits shall be treated for all purposes as property tax levies.

SECTION 46. IC 6-3.5-7-5, AS AMENDED BY P.L.224-2007, SECTION 87, AND AS AMENDED BY P.L.232-2007, SECTION 3, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. The entity that may

impose the tax is:

- (1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on *January 1* of the year the county economic development income tax is imposed;
- (2) the county council if the county adjusted gross income tax is in effect on *January 1* of the year the county economic development tax is imposed; or
- (3) the county income tax council or the county council, whichever acts first, for a county not covered by subdivision (1) or (2).

To impose the county economic development income tax, a county income tax council shall use the procedures set forth in IC 6-3.5-6 concerning the imposition of the county option income tax.

(b) Except as provided in subsections (c), (g), (k), (p), and (r) and section 28 of this chapter, the county economic development income tax may be imposed at a rate of:

- (1) one-tenth percent (0.1%);
- (2) two-tenths percent (0.2%);
- (3) twenty-five hundredths percent (0.25%);
- (4) three-tenths percent (0.3%);
- (5) thirty-five hundredths percent (0.35%);
- (6) four-tenths percent (0.4%);
- (7) forty-five hundredths percent (0.45%); or
- (8) five-tenths percent (0.5%);

on the adjusted gross income of county taxpayers.

(c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), (o), (p), (s), (v), ~~or~~ (w), ~~or~~ (x), ~~or~~ (y), the county economic development income tax rate plus the county adjusted gross income tax rate, if any, that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%). Except as provided in subsection (g), (p), (r), (t), (u), ~~or~~ (w), ~~or~~ (x), ~~or~~ (y), the county economic development tax rate plus the county option income tax rate, if any, that are in effect on January 1 of a year may not exceed one percent (1%).

(d) To impose, increase, decrease, or rescind the county economic development income tax, the appropriate body must, after *January 1* but before *April 1* of a year, adopt an ordinance. The ordinance to impose the tax must substantially state the following:

"The \_\_\_\_\_ County \_\_\_\_\_ imposes the county economic development income tax on the county taxpayers of \_\_\_\_\_ County. The county economic development income tax is imposed at a rate of \_\_\_\_\_ percent (\_\_\_\_%) on the county taxpayers of the county. This tax takes effect ~~July~~ *October* 1 of this year."

(e) Any ordinance adopted under this chapter takes effect July 1 of the year the ordinance is adopted.

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this chapter and shall, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department by certified mail.

(g) This subsection applies to a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000). Except as provided in subsection (p), in addition to the rates permitted by

subsection (b), the:

- (1) county economic development income tax may be imposed at a rate of:
  - (A) fifteen-hundredths percent (0.15%);
  - (B) two-tenths percent (0.2%); or
  - (C) twenty-five hundredths percent (0.25%); and
- (2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%);

if the county income tax council makes a determination to impose rates under this subsection and section 22 of this chapter.

(h) For a county having a population of more than forty-one thousand (41,000) but less than forty-three thousand (43,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and thirty-five hundredths percent (1.35%) if the county has imposed the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

(i) For a county having a population of more than thirteen thousand five hundred (13,500) but less than fourteen thousand (14,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and fifty-five hundredths percent (1.55%).

(j) For a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(k) This subsection applies to a county having a population of more than twenty-seven thousand four hundred (27,400) but less than twenty-seven thousand five hundred (27,500). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

- (1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and
- (2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(l) For a county having a population of more than twenty-nine thousand (29,000) but less than thirty thousand (30,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(m) For:

- (1) a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000); or
- (2) a county having a population of more than forty-five thousand (45,000) but less than forty-five thousand nine



hundred (45,900);

except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) For a county having a population of more than six thousand (6,000) but less than eight thousand (8,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(o) This subsection applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and:

(A) the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%); or

(B) the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 24 of this chapter.

(p) In addition:

(1) the county economic development income tax may be imposed at a rate that exceeds by not more than twenty-five hundredths percent (0.25%) the maximum rate that would otherwise apply under this section; and

(2) the:

(A) county economic development income tax; and

(B) county option income tax or county adjusted gross income tax;

may be imposed at combined rates that exceed by not more than twenty-five hundredths percent (0.25%) the maximum combined rates that would otherwise apply under this section.

However, the additional rate imposed under this subsection may not exceed the amount necessary to mitigate the increased ad valorem property taxes on ~~homesteads (as defined in IC 6-1.1-20.9-1)~~ or residential property (as defined in section 26 of this chapter), as appropriate under the ordinance adopted by the adopting body in the county, resulting from the deduction of the assessed value of inventory in the county under ~~IC 6-1.1-12-41 or~~ IC 6-1.1-12-42.

(q) If the county economic development income tax is imposed as authorized under subsection (p) at a rate that exceeds the maximum rate that would otherwise apply under this section, the certified distribution must be used for the purpose provided in section ~~25(c)~~ or 26 of this chapter to the extent that the certified distribution results from the difference between:

(1) the actual county economic development tax rate; and

(2) the maximum rate that would otherwise apply under this section.

(r) This subsection applies only to a county described in section 27 of this chapter. Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 27 of this chapter.

(s) Except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%) if the county has imposed the county adjusted gross income tax under IC 6-3.5-1.1-3.3.

(t) This subsection applies to Howard County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

(u) This subsection applies to Scott County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

(v) This subsection applies to Jasper County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(w) *An additional county economic development income tax rate imposed under section 28 of this chapter may not be considered in calculating any limit under this section on the sum of:*

(1) *the county economic development income tax rate plus the county adjusted gross income tax rate; or*

(2) *the county economic development tax rate plus the county option income tax rate.*

~~(x)~~ (x) *The income tax rate limits imposed by subsection (c) or (y) or any other provision of this chapter do not apply to:*

(1) *a county adjusted gross income tax rate imposed under IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26; or*

(2) *a county option income tax rate imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.*

*For purposes of computing the maximum combined income tax rate under subsection (c) or (y) or any other provision of this chapter that may be imposed in a county under IC 6-3.5-1.1, IC 6-3.5-6, and this chapter, a county's county adjusted gross income tax rate or county option income tax rate for a particular year does not include the county adjusted gross income tax rate imposed under IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 or the county option income tax rate imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.*

~~(y)~~ (y) *This subsection applies to Monroe County. Except as provided in subsection (p), if an ordinance is adopted under*

*IC 6-3.5-6-33, the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).*

SECTION 47. IC 6-3.5-7-11, AS AMENDED BY P.L.207-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 11. (a) Revenue derived from the imposition of the county economic development income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it.

(b) Before August 2 of each calendar year, the department, after reviewing the recommendation of the budget agency, shall certify to the county auditor of each adopting county the sum of the amount of county economic development income tax revenue that the department determines has been:

- (1) received from that county for a taxable year ending before the calendar year in which the determination is made; and
- (2) reported on an annual return or amended return processed by the department in the state fiscal year ending before July 1 of the calendar year in which the determination is made;

as adjusted (as determined after review of the recommendation of the budget agency) for refunds of county economic development income tax made in the state fiscal year plus the amount of interest in the county's account that has been accrued and has not been included in a certification made in a preceding year. The amount certified is the county's certified distribution, which shall be distributed on the dates specified in section 16 of this chapter for the following calendar year. The amount certified shall be adjusted under subsections (c), (d), (e), (f), and (g). The department shall provide with the certification an informative summary of the calculations used to determine the certified distribution.

(c) The department shall certify an amount less than the amount determined under subsection (b) if the department, after reviewing the recommendation of the budget agency, determines that the reduced distribution is necessary to offset overpayments made in a calendar year before the calendar year of the distribution. The department, after reviewing the recommendation of the budget agency, may reduce the amount of the certified distribution over several calendar years so that any overpayments are offset over several years rather than in one (1) lump sum.

(d) After reviewing the recommendation of the budget agency, the department shall adjust the certified distribution of a county to correct for any clerical or mathematical errors made in any previous certification under this section. The department, after reviewing the recommendation of the budget agency, may reduce the amount of the certified distribution over several calendar years so that any adjustment under this subsection is offset over several years rather than in one (1) lump sum.

(e) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide the county with the distribution required under section 16(b) of this chapter.

(f) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county

to provide the county with the amount of any tax increase imposed under section ~~25~~ or 26 of this chapter to provide additional ~~homestead~~ credits as provided in those provisions.

(g) This subsection applies to a county that:

- (1) initially imposed the county economic development income tax; or
- (2) increases the county economic development income rate;

under this chapter in the same calendar year in which the department makes a certification under this section. The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The department shall provide for a full transition to certification of distributions as provided in subsection (b)(1) through (b)(2) in the manner provided in subsection (c).

SECTION 48. IC 6-3.5-7-12, AS AMENDED BY P.L.232-2007, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 12. (a) Except as provided in sections 23, ~~25~~, 26, 27, and 28 of this chapter, the county auditor shall distribute in the manner specified in this section the certified distribution to the county.

(b) Except as provided in subsections (c) and (h) and sections 15 and ~~25~~ 26 of this chapter, the amount of the certified distribution that the county and each city or town in a county is entitled to receive during May and November of each year equals the product of the following:

- (1) The amount of the certified distribution for that month; multiplied by
- (2) A fraction. The numerator of the fraction equals the sum of the following:
  - (A) Total property taxes that are first due and payable to the county, city, or town during the calendar year in which the month falls; plus
  - (B) For a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund.

The denominator of the fraction equals the sum of the total property taxes that are first due and payable to the county and all cities and towns of the county during the calendar year in which the month falls, plus an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund.

(c) This subsection applies to a county council or county income tax council that imposes a tax under this chapter after June 1, 1992. The body imposing the tax may adopt an ordinance before July 1 of a year to provide for the distribution of certified distributions under this subsection instead of a distribution under subsection (b). The following apply if an ordinance is adopted under this subsection:

- (1) The ordinance is effective January 1 of the following year.
- (2) Except as provided in ~~sections 25 and~~ section 26 of this chapter, the amount of the certified distribution that the county and each city and town in the county is entitled to receive during May and November of each year equals the product of:

(A) the amount of the certified distribution for the month; multiplied by

(B) a fraction. For a city or town, the numerator of the fraction equals the population of the city or the town. For a county, the numerator of the fraction equals the population of the part of the county that is not located in a city or town. The denominator of the fraction equals the sum of the population of all cities and towns located in the county and the population of the part of the county that is not located in a city or town.

(3) The ordinance may be made irrevocable for the duration of specified lease rental or debt service payments.

(d) The body imposing the tax may not adopt an ordinance under subsection (c) if, before the adoption of the proposed ordinance, any of the following have pledged the county economic development income tax for any purpose permitted by IC 5-1-14 or any other statute:

(1) The county.

(2) A city or town in the county.

(3) A commission, a board, a department, or an authority that is authorized by statute to pledge the county economic development income tax.

(e) The department of local government finance shall provide each county auditor with the fractional amount of the certified distribution that the county and each city or town in the county is entitled to receive under this section.

(f) Money received by a county, city, or town under this section shall be deposited in the unit's economic development income tax fund.

(g) Except as provided in subsection (b)(2)(B), in determining the fractional amount of the certified distribution the county and its cities and towns are entitled to receive under subsection (b) during a calendar year, the department of local government finance shall consider only property taxes imposed on tangible property subject to assessment in that county.

(h) In a county having a consolidated city, only the consolidated city is entitled to the certified distribution, subject to the requirements of sections 15 ~~25~~, and 26 of this chapter.

SECTION 49. IC 6-3.5-7-13.1, AS AMENDED BY P.L.1-2007, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 13.1. (a) The fiscal officer of each county, city, or town for a county in which the county economic development tax is imposed shall establish an economic development income tax fund. Except as provided in sections 23, ~~25~~, 26, and 27 of this chapter, the revenue received by a county, city, or town under this chapter shall be deposited in the unit's economic development income tax fund.

(b) Except as provided in sections 15, 23, ~~25~~, 26, and 27 of this chapter, revenues from the county economic development income tax may be used as follows:

(1) By a county, city, or town for economic development projects, for paying, notwithstanding any other law, under a written agreement all or a part of the interest owed by a private developer or user on a loan extended by a financial institution or other lender to the developer or user if the proceeds of the loan are or are to be used to finance an economic development project, for the retirement of bonds

under section 14 of this chapter for economic development projects, for leases under section 21 of this chapter, or for leases or bonds entered into or issued prior to the date the economic development income tax was imposed if the purpose of the lease or bonds would have qualified as a purpose under this chapter at the time the lease was entered into or the bonds were issued.

(2) By a county, city, or town for:

(A) the construction or acquisition of, or remedial action with respect to, a capital project for which the unit is empowered to issue general obligation bonds or establish a fund under any statute listed in IC 6-1.1-18.5-9.8;

(B) the retirement of bonds issued under any provision of Indiana law for a capital project;

(C) the payment of lease rentals under any statute for a capital project;

(D) contract payments to a nonprofit corporation whose primary corporate purpose is to assist government in planning and implementing economic development projects;

(E) operating expenses of a governmental entity that plans or implements economic development projects;

(F) to the extent not otherwise allowed under this chapter, funding substance removal or remedial action in a designated unit; or

(G) funding of a revolving fund established under IC 5-1-14-14.

(3) By a county, city, or town for any lawful purpose for which money in any of its other funds may be used.

(4) By a city or county described in IC 36-7.5-2-3(b) for making transfers required by IC 36-7.5-4-2. If the county economic development income tax rate is increased after April 30, 2005, in a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000), the first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be used by the county only to make the county's transfer required by IC 36-7.5-4-2. The first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be paid by the county treasurer to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county under this chapter from the tax revenue that results each year from the tax rate increase. In a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000), all of the tax revenue that results each year from the tax rate increase that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for additional ~~homestead~~ credits under subdivision (5).

(5) This subdivision applies only in a county having a population of more than one hundred forty-five thousand

(145,000) but less than one hundred forty-eight thousand (148,000). Except as otherwise provided, the procedures and definitions in ~~IC 6-1.1-20.9~~ **IC 6-1.1-21** apply to this subdivision. All of the tax revenue that results each year from a tax rate increase described in subdivision (4) that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for additional ~~homestead~~ **property tax replacement** credits under this subdivision. The following apply to additional ~~homestead~~ credits provided under this subdivision:

(A) The additional ~~homestead~~ credits must be applied uniformly to increase the ~~homestead~~ **property tax replacement** credit under ~~IC 6-1.1-20.9~~ **IC 6-1.1-21-5** for ~~homesteads~~ **all tangible property** in the county, city, or town **or all qualified residential property in the county, city, or town consisting of real property consisting of:**

- (i) **not more than four (4) units that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more;**
- (ii) **mobile homes (as defined in IC 6-1.1-1-8.7) that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more; and**
- (iii) **real property consisting of at least five (5) units that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more;**

**including not more than one (1) acre used for residential purposes on which the real property or mobile homes are located.**

(B) The additional ~~homestead~~ credits shall be treated for all purposes as property tax levies. The additional ~~homestead~~ credits do not reduce the basis for determining the state property tax replacement credit under IC 6-1.1-21 or the state homestead credit under IC 6-1.1-20.9.

(C) The additional ~~homestead~~ credits shall be applied to the net property taxes due on the ~~homestead~~ **taxable property** after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1, **except IC 6-1.1-20.6.**

(D) The department of local government finance shall determine the additional ~~homestead~~ credit percentage for a particular year based on the amount of county economic development income tax revenue that will be used under this subdivision to provide additional ~~homestead~~ credits in that year.

(6) This subdivision applies only in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000). Except as otherwise provided, the procedures and definitions in ~~IC 6-1.1-20.9~~ **IC 6-1.1-21** apply to this subdivision. A county or a city or town in the county may use county

economic development income tax revenue to provide additional ~~homestead~~ **property tax replacement** credits in the county, city, or town. The following apply to additional ~~homestead~~ credits provided under this subdivision:

(A) The county, city, or town fiscal body must adopt an ordinance authorizing the additional ~~homestead~~ credits. The ordinance must:

- (i) be adopted before September 1 of a year to apply to property taxes first due and payable in the following year; and
- (ii) specify the amount of county economic development income tax revenue that will be used to provide additional ~~homestead~~ credits in the following year.

(B) A county, city, or town fiscal body that adopts an ordinance under this subdivision must forward a copy of the ordinance to the county auditor and the department of local government finance not more than thirty (30) days after the ordinance is adopted.

(C) The additional ~~homestead~~ credits must be applied uniformly to increase the ~~homestead~~ **property tax replacement** credit under ~~IC 6-1.1-20.9~~ **IC 6-1.1-21-5** for ~~homesteads~~ **all tangible property** in the county, city, or town **or all qualified residential property in the county, city, or town consisting of real property consisting of:**

- (i) **not more than four (4) units that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more;**
- (ii) **mobile homes (as defined in IC 6-1.1-1-8.7) that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more; and**
- (iii) **real property consisting of at least five (5) units that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more;**

**including not more than one (1) acre used for residential purposes on which the real property or mobile homes are located.**

(D) The additional ~~homestead~~ credits shall be treated for all purposes as property tax levies. The additional ~~homestead~~ credits do not reduce the basis for determining the state property tax replacement credit under IC 6-1.1-21 or the state homestead credit under IC 6-1.1-20.9.

(E) The additional ~~homestead~~ credits shall be applied to the net property taxes due on the ~~homestead~~ **tangible property** after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1, **except IC 6-1.1-20.6.**

(F) The department of local government finance shall determine the additional ~~homestead~~ credit percentage for a particular year based on the amount of county economic development income tax revenue that will be used under this subdivision to provide additional

~~homestead~~ credits in that year.

(7) For a regional venture capital fund established under section 13.5 of this chapter or a local venture capital fund established under section 13.6 of this chapter.

(8) This subdivision applies only to a county:

(A) that has a population of more than one hundred ten thousand (110,000) but less than one hundred fifteen thousand (115,000); and

(B) in which:

(i) the county fiscal body has adopted an ordinance under IC 36-7.5-2-3(e) providing that the county is joining the northwest Indiana regional development authority; and

(ii) the fiscal body of the city described in IC 36-7.5-2-3(e) has adopted an ordinance under IC 36-7.5-2-3(e) providing that the city is joining the development authority.

Revenue from the county economic development income tax may be used by a county or a city described in this subdivision for making transfers required by IC 36-7.5-4-2. In addition, if the county economic development income tax rate is increased after June 30, 2006, in the county, the first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be used by the county only to make the county's transfer required by IC 36-7.5-4-2. The first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be paid by the county treasurer to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county under this chapter from the tax revenue that results each year from the tax rate increase. All of the tax revenue that results each year from the tax rate increase that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for additional ~~homestead~~ **property tax replacement** credits under subdivision (9).

(9) This subdivision applies only to a county described in subdivision (8). Except as otherwise provided, the procedures and definitions in IC 6-1.1-20.9 apply to this subdivision. All of the tax revenue that results each year from a tax rate increase described in subdivision (8) that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for additional ~~homestead~~ **property tax replacement** credits under this subdivision. The following apply to additional ~~homestead~~ credits provided under this subdivision:

(A) The additional ~~homestead~~ credits must be applied uniformly to increase the ~~homestead~~ **property tax replacement** credit under ~~IC 6-1.1-20.9~~ **IC 6-1.1-21-5** for ~~homesteads~~ **all tangible property** in the county, city, or town **or all qualified residential property in the county, city, or town consisting of real property**

consisting of:

(i) **not more than four (4) units that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more;**

(ii) **mobile homes (as defined in IC 6-1.1-1-8.7) that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more; and**

(iii) **real property consisting of at least five (5) units that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more;**

**including not more than one (1) acre used for residential purposes on which the real property or mobile homes are located.**

(B) The additional ~~homestead~~ credits shall be treated for all purposes as property tax levies. The additional ~~homestead~~ credits do not reduce the basis for determining the state property tax replacement credit under IC 6-1.1-21 or the state homestead credit under IC 6-1.1-20.9.

(C) The additional ~~homestead~~ credits shall be applied to the net property taxes due on the ~~homestead~~ **tangible property** after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1, **except IC 6-1.1-20.6.**

(D) The department of local government finance shall determine the additional ~~homestead~~ credit percentage for a particular year based on the amount of county economic development income tax revenue that will be used under this subdivision to provide additional ~~homestead~~ credits in that year.

(c) As used in this section, an economic development project is any project that:

(1) the county, city, or town determines will:

(A) promote significant opportunities for the gainful employment of its citizens;

(B) attract a major new business enterprise to the unit; or

(C) retain or expand a significant business enterprise within the unit; and

(2) involves an expenditure for:

(A) the acquisition of land;

(B) interests in land;

(C) site improvements;

(D) infrastructure improvements;

(E) buildings;

(F) structures;

(G) rehabilitation, renovation, and enlargement of buildings and structures;

(H) machinery;

(I) equipment;

(J) furnishings;

(K) facilities;

(L) administrative expenses associated with such a project, including contract payments authorized under

subsection (b)(2)(D);

(M) operating expenses authorized under subsection (b)(2)(E); or

(N) to the extent not otherwise allowed under this chapter, substance removal or remedial action in a designated unit;

or any combination of these.

(d) If there are bonds outstanding that have been issued under section 14 of this chapter or leases in effect under section 21 of this chapter, a county, city, or town may not expend money from its economic development income tax fund for a purpose authorized under subsection (b)(3) in a manner that would adversely affect owners of the outstanding bonds or payment of any lease rentals due.

SECTION 50. IC 6-3.5-7-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 15. (a) The executive of a county, city, or town may, subject to the use of the certified distribution permitted under ~~sections 25 and section 26~~ of this chapter:

(1) adopt a capital improvement plan specifying the uses of the revenues to be received under this chapter; or

(2) designate the county or a city or town in the county as the recipient of all or a part of its share of the distribution.

(b) If a designation is made under subsection (a)(2), the county treasurer shall transfer the share or part of the share to the designated unit unless that unit does not have a capital improvement plan.

(c) A county, city, or town that fails to adopt a capital improvement plan may not receive:

(1) its fractional amount of the certified distribution; or

(2) any amount designated under subsection (a)(2);

for the year or years in which the unit does not have a plan. The county treasurer shall retain the certified distribution and any designated distribution for such a unit in a separate account until the unit adopts a plan. Interest on the separate account becomes part of the account. If a unit fails to adopt a plan for a period of three (3) years, then the balance in the separate account shall be distributed to the other units in the county based on property taxes first due and payable to the units during the calendar year in which the three (3) year period expires.

(d) A capital improvement plan must include the following components:

(1) Identification and general description of each project that would be funded by the county economic development income tax.

(2) The estimated total cost of the project.

(3) Identification of all sources of funds expected to be used for each project.

(4) The planning, development, and construction schedule of each project.

(e) A capital improvement plan:

(1) must encompass a period of no less than two (2) years; and

(2) must incorporate projects the cost of which is at least seventy-five percent (75%) of the fractional amount certified distribution expected to be received by the county, city, or town in that period of time.

(f) In making a designation under subsection (a)(2), the executive must specify the purpose and duration of the designation. If the designation is made to provide for the payment of lease rentals or bond payments, the executive may specify that the designation and its duration are irrevocable.

SECTION 51. IC 6-3.5-7-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 16. (a) Except as provided in subsections (b) and (c), on May 1 of each year, one-half (1/2) of each county's certified distribution for a calendar year shall be distributed from its account established under section 10 of this chapter to the county treasurer. The other one-half (1/2) shall be distributed on November 1 of that calendar year.

(b) This subsection applies to a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000). Notwithstanding section 11 of this chapter, the initial certified distribution certified for a county under section 11 of this chapter shall be distributed to the county treasurer from the account established for the county under section 10 of this chapter according to the following schedule during the eighteen (18) month period beginning on July 1 of the year in which the county initially adopts an ordinance under section 2 of this chapter:

(1) One-fourth (1/4) on October 1 of the year in which the ordinance was adopted.

(2) One-fourth (1/4) on January 1 of the calendar year following the year in which the ordinance was adopted.

(3) One-fourth (1/4) on May 1 of the calendar year following the year in which the ordinance was adopted.

(4) One-fourth (1/4) on November 1 of the calendar year following the year in which the ordinance was adopted.

The county auditor and county treasurer shall distribute amounts received under this subsection to a county and each city or town in the county in the same proportions as are set forth in section 12 of this chapter. Certified distributions made to the county treasurer for calendar years following the eighteen (18) month period described in this subsection shall be made as provided in subsection (a).

(c) Before July 1 of each year, a county's certified distribution for additional ~~homestead~~ credits under section ~~25~~ or 26 of this chapter for the year shall be distributed from the county's account established under section 10 of this chapter.

(d) All distributions from an account established under section 10 of this chapter shall be made by warrants issued by the auditor of state to the treasurer of state ordering the appropriate payments.

SECTION 52. IC 6-3.5-7-26, AS AMENDED BY P.L.224-2007, SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 26. (a) This section applies only to ~~homestead~~ and property tax replacement credits for property taxes first due and payable after calendar year 2006.

(b) The following definitions apply throughout this section:

(1) "Adopt" includes amend.

(2) "Adopting entity" means:

(A) the entity that adopts an ordinance under IC 6-1.1-12-41(f) (**before its repeal**); or

(B) any other entity that may impose a county economic development income tax under section 5 of this chapter.

(3) "Homestead" refers to tangible property that is eligible for a homestead credit under IC 6-1.1-20-9.

(4) "Residential" refers to the following:

(A) Real property, a mobile home, and industrialized housing that would qualify as a homestead if the taxpayer had filed for a homestead credit under IC 6-1.1-20-9.

(B) Real property not described in clause (A) designed to provide units that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more, regardless of whether the tangible property is subject to assessment under rules of the department of local government finance that apply to:

- (i) residential property; or
- (ii) commercial property.

(c) An adopting entity may adopt an ordinance to provide for the use of the certified distribution described in section 16(c) of this chapter for the purpose provided in subsection (e). An adopting entity that adopts an ordinance under this subsection shall use the procedures set forth in IC 6-3.5-6 concerning the adoption of an ordinance for the imposition of the county option income tax. An ordinance must be adopted under this subsection after January 1, 2006, and before June 1, 2006, or, in a year following 2006, after March 31 but before August 1 of a calendar year. The ordinance may provide for an additional rate under section 5(p) of this chapter. An ordinance adopted under this subsection:

(1) first applies to the certified distribution described in section 16(c) of this chapter made in the later of the calendar year that immediately succeeds the calendar year in which the ordinance is adopted or calendar year 2007; and

(2) must specify that the certified distribution must be used to provide for one (1) of the following, as determined by the adopting entity:

(A) Uniformly applied increased homestead credits as provided in subsection (f);

~~(B) (A) Uniformly applied increased residential credits as provided in subsection (g);~~ **(f) for all tangible property in the county or all qualified residential property in the county consisting of real property consisting of:**

**(i) not more than four (4) units that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more;**

**(ii) mobile homes (as defined in IC 6-1.1-1-8.7) that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more; and**

**(iii) real property consisting of at least five (5) units that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more;**

**including not more than one (1) acre used for**

**residential purposes on which the real property or mobile homes are located.**

~~(C) Allocated increased homestead credits as provided in subsection (i);~~

~~(D) (B) Allocated increased residential credits as provided in subsection (j);~~ **(h) for all tangible property in the county or all qualified residential property in the county consisting of real property consisting of:**

**(i) not more than four (4) units that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more;**

**(ii) mobile homes (as defined in IC 6-1.1-1-8.7) that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more; and**

**(iii) real property consisting of at least five (5) units that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more;**

**including not more than one (1) acre used for residential purposes on which the real property or mobile homes are located.**

An ordinance adopted under this subsection may be combined with an ordinance adopted under section 25 of this chapter.

(d) If an ordinance is adopted under subsection (c), the percentage of the certified distribution specified in the ordinance for use for the purpose provided in subsection (e) shall be:

(1) retained by the county auditor under subsection ~~(k)~~; **(i);** and

(2) used for the purpose provided in subsection (e) instead of the purposes specified in the capital improvement plans adopted under section 15 of this chapter.

(e) If an ordinance is adopted under subsection (c), the adopting entity shall use the certified distribution described in section 16(c) of this chapter to increase

~~(1) if the ordinance grants a credit described in subsection (c)(2)(A) or (c)(2)(C); the homestead credit allowed in the county under IC 6-1.1-20-9 for a year; or~~

~~(2) if the ordinance grants a credit described in subsection (c)(2)(B) or (c)(2)(D); the property tax replacement credit allowed in the county under IC 6-1.1-21-5 for a year for the residential property to offset the effect on homesteads or residential the property as applicable; in the county resulting from the statewide deduction for inventory under IC 6-1.1-12-42. The amount of an additional residential property tax replacement credit granted under this section may not be considered in computing the amount of any homestead credit to which the residential property may be entitled under IC 6-1.1-20-9 or another law other than IC 6-1.1-20-6.~~

~~(f) If the imposing entity specifies the application of uniform increased homestead credits under subsection (c)(2)(A); the county auditor shall, for each calendar year in which an increased homestead credit percentage is authorized under this section, determine:~~

~~(1) the amount of the certified distribution that is available to provide an increased homestead credit percentage for the~~

year;

(2) the amount of uniformly applied homestead credits for the year in the county that equals the amount determined under subdivision (1); and

(3) the increased percentage of homestead credit that equates to the amount of homestead credits determined under subdivision (2).

(g) (f) If the imposing entity specifies the application of uniform increased ~~residential~~ credits under subsection ~~(c)(2)(B)~~; ~~(c)(2)(A)~~, the county auditor shall determine for each calendar year in which an increased ~~homestead~~ credit percentage is authorized under this section:

(1) the amount of the certified distribution that is available to provide an increased residential property tax replacement credit percentage for the year;

(2) the amount of uniformly applied ~~residential~~ property tax replacement credits for the year in the county that equals the amount determined under subdivision (1); and

(3) the increased percentage of ~~residential~~ property tax replacement credit that equates to the amount of ~~residential~~ property tax replacement credits determined under subdivision (2).

(h) (g) The increased percentage of ~~homestead credit~~ determined by the county auditor under subsection (f) or the increased percentage of ~~residential~~ property tax replacement credit determined by the county auditor under subsection (g) (f) applies uniformly in the county in the calendar year for which the increased percentage is determined.

(i) If the imposing entity specifies the application of allocated increased homestead credits under subsection ~~(c)(2)(C)~~; the county auditor shall, for each calendar year in which an increased homestead credit is authorized under this section, determine:

(1) the amount of the certified distribution that is available to provide an increased homestead credit for the year; and  
(2) except as provided in subsection (i), an increased percentage of homestead credit for each taxing district in the county that allocates to the taxing district an amount of increased homestead credits that bears the same proportion to the amount determined under subdivision (1) that the amount of inventory assessed value deducted under IC 6-1.1-12-42 in the taxing district for the immediately preceding year's assessment date bears to the total inventory assessed value deducted under IC 6-1.1-12-42 in the county for the immediately preceding year's assessment date.

(j) (h) If the imposing entity specifies the application of allocated increased ~~residential~~ property tax replacement credits under subsection ~~(c)(2)(D)~~; ~~(c)(2)(B)~~, the county auditor shall determine for each calendar year in which an increased ~~residential~~ property tax replacement credit is authorized under this section:

(1) the amount of the certified distribution that is available to provide an increased ~~residential~~ property tax replacement credit for the year; and

(2) except as provided in subsection (i); (j), an increased percentage of ~~residential~~ property tax replacement credit for each taxing district in the county that allocates to the

taxing district an amount of increased ~~residential~~ property tax replacement credits that bears the same proportion to the amount determined under subdivision (1) that the amount of inventory assessed value deducted under IC 6-1.1-12-42 in the taxing district for the immediately preceding year's assessment date bears to the total inventory assessed value deducted under IC 6-1.1-12-42 in the county for the immediately preceding year's assessment date.

(k) (i) The county auditor shall retain from the payments of the county's certified distribution an amount equal to the revenue lost, if any, due to the increase of the ~~homestead credit~~ or ~~residential~~ property tax replacement credit within the county. The money shall be distributed to the civil taxing units and school corporations of the county:

(1) as if the money were from property tax collections; and  
(2) in such a manner that no civil taxing unit or school corporation will suffer a net revenue loss because of the allowance of an increased ~~homestead credit~~ or ~~residential~~ property tax replacement credit.

(l) (j) Subject to the approval of the imposing entity, the county auditor may adjust the increased percentage of

(1) ~~homestead credit~~ determined under subsection (i)(2) if the county auditor determines that the adjustment is necessary to achieve an equitable reduction of property taxes among the homesteads in the county; or

(2) ~~residential~~ property tax replacement credit determined under subsection (j)(2) (h)(2) if the county auditor determines that the adjustment is necessary to achieve an equitable reduction of property taxes among the ~~residential~~ property in the county.

SECTION 53. IC 8-22-3.5-10, AS AMENDED BY P.L.219-2007, SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 10. (a) Except as provided in subsection (d); If the commission adopts the provisions of this section by resolution, each taxpayer in the airport development zone is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that, under IC 6-1.1-22-9, are due and payable in that year. Except as provided in subsection (d); One-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the airport development zone:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by  
(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by  
(B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that would



have been allocated to the special funds under section 9 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated and paid into the special funds under section 9 of this chapter.

(b) The additional credit under subsection (a) shall be:

(1) computed on an aggregate basis of all taxpayers in a taxing district that contains all or part of an airport development zone; and

(2) combined on the tax statement sent to each taxpayer.

(c) Concurrently with the mailing or other delivery of the tax statement or any corrected tax statement to each taxpayer, as required by IC 6-1.1-22-8(a), each county treasurer shall for each tax statement also deliver to each taxpayer in an airport development zone who is entitled to the additional credit under subsection (a) a notice of additional credit. The actual dollar amount of the credit, the taxpayer's name and address, and the tax statement to which the credit applies shall be stated on the notice.

(d) This subsection applies to an airport development zone only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-20-9-1) are due in installments established by the department of local government finance under IC 6-1.1-22-9-5, each taxpayer subject to those installments in an airport development zone is entitled to an additional credit under subsection (a) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).

SECTION 54. IC 12-20-25-45 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 45. (a) Notwithstanding IC 6-3.5-6, after the termination of the controlled status of all townships located in a county as provided in section 41 of this chapter and if the county option income tax is imposed under this chapter, the county fiscal body may adopt an ordinance to

(1) increase the percentage credit allowed for homesteads in the county under IC 6-1.1-20-9-2; or

(2) reduce the county option income tax rate for resident county taxpayers to a rate not less than the greater of:

(A) the minimum rate necessary to satisfy the requirements of section 43 of this chapter; or

(B) the minimum rate necessary to satisfy the requirements of sections 43 and 46(2) of this chapter if an ordinance is adopted under subdivision (1);

(b) A county fiscal body may not increase the percentage credit allowed for homesteads in such a manner that more than eight percent (8%) is added to the percentage established under IC 6-1.1-20-9-2(d);

(c) The increase in the homestead credit percentage must be uniform for all homesteads in a county;

(d) In an ordinance that increases the homestead credit percentage, the county fiscal body may provide for a series of increases or decreases to take place for each of a group of succeeding calendar years.

(e) (b) An ordinance may be adopted under this section after

January 1 but before June 1 of a calendar year.

(f) (c) An ordinance adopted under this section takes effect January 1 of the next calendar year.

(g) (d) An ordinance adopted under this section for a county is not applicable for a year if on January 1 of that year the county option income tax is not in effect.

SECTION 55. IC 12-20-25-46 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 46. After the termination of the controlled status of all townships located in a county as provided in section 41 of this chapter, if the county adjusted gross income tax or the county option income tax is imposed under this chapter, any revenues from the county adjusted gross income tax or the county option income tax imposed under this chapter shall be distributed in the following priority:

(1) To satisfy the requirements of section 43 of this chapter.

(2) If the county option income tax imposed under this chapter is in effect, to replace the amount, if any, of property tax revenue lost due to the allowance of an increased homestead credit within the county;

(3) (2) To be used as a certified distribution as provided in IC 6-3.5-1.1 or IC 6-3.5-6, whichever applies.

SECTION 56. IC 20-46-3-6, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. Subject to IC 6-1.1-18-5-9-9; The tax control board may recommend to the department of local government finance that a school corporation be allowed to establish a levy. The amount of the levy shall be determined each year and the levy may not exceed the lesser of the following:

(1) The revenue derived from a tax rate of eight and thirty-three hundredths cents (\$0.0833) for each one hundred dollars (\$100) of assessed valuation within the school corporation.

(2) The revenue derived from a tax rate equal to the difference between the maximum rate allowed for the school corporation's capital projects fund under IC 20-46-6 minus the actual capital projects fund rate that will be in effect for the school corporation for a particular year.

SECTION 57. IC 20-46-6-5, AS ADDED BY P.L.154-2006, SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. Subject to IC 6-1.1-18-12, and IC 6-1.1-18-5-9-9; to provide for the fund, the governing body may, for each year in which a plan is in effect, impose a property tax rate that does not exceed forty-one and sixty-seven hundredths cents (\$0.4167) on each one hundred dollars (\$100) of assessed valuation of the school corporation. The actual rate imposed by the governing body must be advertised in the same manner as other property tax rates.

SECTION 58. IC 35-41-1-10.5, AS AMENDED BY P.L.26-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 10.5. "Family housing complex" means a building or series of buildings:

(1) that contains at least twelve (12) dwelling units:

(A) where children are domiciled or are likely to be domiciled; and

- (B) that are owned by a governmental unit or political subdivision;
- (2) that is operated as a hotel or motel (as described in IC 22-11-18-1);
- (3) that is operated as an apartment complex ~~(as defined in IC 6-1.1-20-6-1)~~; **that consists of real property consisting of at least five (5) units that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more;** or
- (4) that contains subsidized housing.

SECTION 59. IC 36-7-14-39.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 39.5. (a) As used in this section, "allocation area" has the meaning set forth in section 39 of this chapter.

(b) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(c) Subject to subsection (e), ~~and except as provided in subsection (h)~~, each taxpayer in an allocation area is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable in May and November of that year. ~~Except as provided in subsection (h)~~, One-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.  
STEP TWO: Divide:

- (A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by
- (B) the STEP ONE sum.

STEP THREE: Multiply:

- (A) the STEP TWO quotient; times
- (B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that would have been allocated to an allocation fund under section 39 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the redevelopment district and paid into an allocation fund under section 39(b)(2) of this chapter.

(d) If the additional credit under subsection (c) is not reduced under subsection (e) or (f), the credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (c) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. The credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (c) shall be combined on the tax statements sent to each taxpayer.

(e) Upon the recommendation of the redevelopment commission, the municipal legislative body (in the case of a redevelopment commission established by a municipality) or the county executive (in the case of a redevelopment commission established by a county) may, by resolution, provide that the

additional credit described in subsection (c):

- (1) does not apply in a specified allocation area; or
- (2) is to be reduced by a uniform percentage for all taxpayers in a specified allocation area.

(f) Whenever the municipal legislative body or county executive determines that granting the full additional credit under subsection (c) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the municipal legislative body or county executive must adopt a resolution under subsection (e) to deny the additional credit or reduce it to a level that creates a reasonable expectation that the bonds or other obligations will be paid when due. A resolution adopted under subsection (e) denies or reduces the additional credit for property taxes first due and payable in the allocation area in any year following the year in which the resolution is adopted.

(g) A resolution adopted under subsection (e) remains in effect until it is rescinded by the body that originally adopted it. However, a resolution may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If a resolution is rescinded and no other resolution is adopted, the additional credit described in subsection (c) applies to property taxes first due and payable in the allocation area in each year following the year in which the resolution is rescinded.

~~(h) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-20-9-1) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (c) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).~~

SECTION 60. IC 36-7-14-48, AS AMENDED BY P.L.219-2007, SECTION 126, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 48. (a) Notwithstanding section 39(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 45 of this chapter, "base assessed value" means the net assessed value of all of the property, other than personal property, as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 39(h) of this chapter.

(b) The allocation fund established under section 39(b) of this chapter for the allocation area for a program adopted under section 45 of this chapter may be used only for purposes related to the accomplishment of the program, including the following:

(1) The construction, rehabilitation, or repair of residential units within the allocation area.

(2) The construction, reconstruction, or repair of any infrastructure (including streets, sidewalks, and sewers) within or serving the allocation area.

(3) The acquisition of real property and interests in real property within the allocation area.

(4) The demolition of real property within the allocation area.

(5) The provision of financial assistance to enable individuals and families to purchase or lease residential units within the allocation area. However, financial assistance may be provided only to those individuals and families whose income is at or below the county's median income for individuals and families, respectively.

(6) The provision of financial assistance to neighborhood development corporations to permit them to provide financial assistance for the purposes described in subdivision (5).

(7) Providing each taxpayer in the allocation area a credit for property tax replacement as determined under subsections (c) and (d). However, the commission may provide this credit only if the municipal legislative body (in the case of a redevelopment commission established by a municipality) or the county executive (in the case of a redevelopment commission established by a county) establishes the credit by ordinance adopted in the year before the year in which the credit is provided.

(c) The maximum credit that may be provided under subsection (b)(7) to a taxpayer in a taxing district that contains all or part of an allocation area established for a program adopted under section 45 of this chapter shall be determined as follows:

STEP ONE: Determine that part of the sum of the amounts described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4(a)(1) that is attributable to the taxing district; by

(B) the amount determined under STEP ONE.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district allocated to the allocation fund, including the amount that would have been allocated but for the credit.

(d) The commission may determine to grant to taxpayers in an allocation area from its allocation fund a credit under this section, as calculated under subsection (c). ~~Except as provided in subsection (g),~~ One-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable in a year. The commission must provide for the credit annually by a resolution and must find in the resolution the following:

(1) That the money to be collected and deposited in the allocation fund, based upon historical collection rates, after

granting the credit will equal the amounts payable for contractual obligations from the fund, plus ten percent (10%) of those amounts.

(2) If bonds payable from the fund are outstanding, that there is a debt service reserve for the bonds that at least equals the amount of the credit to be granted.

(3) If bonds of a lessor under section 25.2 of this chapter or under IC 36-1-10 are outstanding and if lease rentals are payable from the fund, that there is a debt service reserve for those bonds that at least equals the amount of the credit to be granted.

If the tax increment is insufficient to grant the credit in full, the commission may grant the credit in part, prorated among all taxpayers.

(e) Notwithstanding section 39(b) of this chapter, the allocation fund established under section 39(b) of this chapter for the allocation area for a program adopted under section 45 of this chapter may only be used to do one (1) or more of the following:

(1) Accomplish one (1) or more of the actions set forth in section 39(b)(2)(A) through 39(b)(2)(H) and 39(b)(2)(J) of this chapter for property that is residential in nature.

(2) Reimburse the county or municipality for expenditures made by the county or municipality in order to accomplish the housing program in that allocation area.

The allocation fund may not be used for operating expenses of the commission.

(f) Notwithstanding section 39(b) of this chapter, the commission shall, relative to the allocation fund established under section 39(b) of this chapter for an allocation area for a program adopted under section 45 of this chapter, do the following before July 15 of each year:

(1) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary:

(A) to make, when due, principal and interest payments on bonds described in section 39(b)(2) of this chapter;

(B) to pay the amount necessary for other purposes described in section 39(b)(2) of this chapter; and

(C) to reimburse the county or municipality for anticipated expenditures described in subsection (e)(2).

(2) Notify the county auditor of the amount, if any, of excess property taxes that the commission has determined may be paid to the respective taxing units in the manner prescribed in section 39(b)(1) of this chapter.

~~(g) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-20-9-1) are due in installments established by the department of local government finance under IC 6-1.1-22-9-5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (d) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).~~

SECTION 61. IC 36-7-15.1-26.5, AS AMENDED BY P.L.219-2007, SECTION 129, IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 26.5. (a) As used in this section, "adverse determination" means a determination by the fiscal officer of the consolidated city that the granting of credits described in subsection (g) or (h) would impair any contract with or otherwise adversely affect the owners of outstanding bonds payable from the allocation area special fund.

(b) As used in this section, "allocation area" has the meaning set forth in section 26 of this chapter.

(c) As used in this section, "special fund" refers to the special fund into which property taxes are paid under section 26 of this chapter.

(d) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(e) Except as provided in subsections (g), (h), ~~and (i) and (j)~~, each taxpayer in an allocation area is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that, under IC 6-1.1-22-9, are due and payable in that year. ~~Except as provided in subsection (j)~~, One-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that would have been allocated to an allocation fund under section 26 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the redevelopment district and paid into the special fund.

(f) The credit for property tax replacement under IC 6-1.1-21-5 and the additional credits under subsections (e), (g), (h), and (i), unless the credits under subsections (g) and (h) are partial credits, shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. Except as provided in subsections (h) and (i), the credit for property tax replacement under IC 6-1.1-21-5 and the additional credits under subsections (e), (g), (h), and (i) shall be combined on the tax statements sent to each taxpayer.

(g) This subsection applies to an allocation area if allocated taxes from that area were pledged to bonds, leases, or other obligations of the commission before May 8, 1989. A credit calculated using the method provided in subsection (e) may be granted under this subsection. The credit provided under this subsection is first applicable for the allocation area for property taxes first due and payable in 1992. The following apply to the

determination of the credit provided under this subsection:

(1) Before June 15 of each year, the fiscal officer of the consolidated city shall determine and certify the following:

(A) All amounts due in the following year to the owners of outstanding bonds payable from the allocation area special fund.

(B) All amounts that are:

(i) required under contracts with bond holders; and

(ii) payable from the allocation area special fund to fund accounts and reserves.

(C) An estimate of the amount of personal property taxes available to be paid into the allocation area special fund under section 26.9(c) of this chapter.

(D) An estimate of the aggregate amount of credits to be granted if full credits are granted.

(2) Before June 15 of each year, the fiscal officer of the consolidated city shall determine if the granting of the full amount of credits in the following year would impair any contract with or otherwise adversely affect the owners of outstanding bonds payable from the allocation area special fund.

(3) If the fiscal officer of the consolidated city determines under subdivision (2) that there would not be an impairment or adverse effect:

(A) the fiscal officer of the consolidated city shall certify the determination; and

(B) the full credits shall be applied in the following year, subject to the determinations and certifications made under section 26.7(b) of this chapter.

(4) If the fiscal officer of the consolidated city makes an adverse determination under subdivision (2), the fiscal officer of the consolidated city shall determine whether there is an amount of partial credits that, if granted in the following year, would not result in the impairment or adverse effect. If the fiscal officer determines that there is an amount of partial credits that would not result in the impairment or adverse effect, the fiscal officer shall do the following:

(A) Determine the amount of the partial credits.

(B) Certify that determination.

(5) If the fiscal officer of the consolidated city certifies under subdivision (4) that partial credits may be paid, the partial credits shall be applied pro rata among all affected taxpayers in the following year.

(6) An affected taxpayer may appeal any of the following to the circuit or superior court of the county in which the allocation area is located:

(A) A determination by the fiscal officer of the consolidated city that:

(i) credits may not be paid in the following year; or

(ii) only partial credits may be paid in the following year.

(B) A failure by the fiscal officer of the consolidated city to make a determination by June 15 of whether full or partial credits are payable under this subsection.

(7) An appeal of a determination must be filed not later than thirty (30) days after the publication of the determination.

(8) An appeal of a failure by the fiscal officer of the consolidated city to make a determination of whether the credits are payable under this subsection must be filed by July 15 of the year in which the determination should have been made.

(9) All appeals under subdivision (6) shall be decided by the court within sixty (60) days.

(h) This subsection applies to an allocation area if allocated taxes from that area were pledged to bonds, leases, or other obligations of the commission before May 8, 1989. A credit calculated using the method in subsection (c) and in subdivision (2) may be granted under this subsection. The following apply to the credit granted under this subsection:

(1) The credit is applicable to property taxes first due and payable in 1991.

(2) For purposes of this subsection, the amount of a credit for 1990 taxes payable in 1991 with respect to an affected taxpayer is equal to:

(A) the amount of the quotient determined under STEP TWO of subsection (c); multiplied by

(B) the total amount of the property taxes payable by the taxpayer that were allocated in 1991 to the allocation area special fund under section 26 of this chapter.

(3) Before June 15, 1991, the fiscal officer of the consolidated city shall determine and certify an estimate of the aggregate amount of credits for 1990 taxes payable in 1991 if the full credits are granted.

(4) The fiscal officer of the consolidated city shall determine whether the granting of the full amounts of the credits for 1990 taxes payable in 1991 against 1991 taxes payable in 1992 and the granting of credits under subsection (g) would impair any contract with or otherwise adversely affect the owners of outstanding bonds payable from the allocation area special fund for an allocation area described in subsection (g).

(5) If the fiscal officer of the consolidated city determines that there would not be an impairment or adverse effect under subdivision (4):

(A) the fiscal officer shall certify that determination; and

(B) the full credits shall be applied against 1991 taxes payable in 1992 or the amount of the credits shall be paid to the taxpayers as provided in subdivision (12), subject to the determinations and certifications made under section 26.7(b) of this chapter.

(6) If the fiscal officer of the consolidated city makes an adverse determination under subdivision (4), the fiscal officer shall determine whether there is an amount of partial credits for 1990 taxes payable in 1991 that, if granted against 1991 taxes payable in 1992 in addition to granting of the credits under subsection (g), would not result in the impairment or adverse effect.

(7) If the fiscal officer of the consolidated city determines under subdivision (6) that there is an amount of partial credits that would not result in the impairment or adverse effect, the fiscal officer shall determine the amount of partial credits and certify that determination.

(8) If the fiscal officer of the consolidated city certifies under subdivision (7) that partial credits may be paid, the

partial credits shall be applied pro rata among all affected taxpayers against 1991 taxes payable in 1992.

(9) An affected taxpayer may appeal any of the following to the circuit or superior court of the county in which the allocation area is located:

(A) A determination by the fiscal officer of the consolidated city that:

(i) credits may not be paid for 1990 taxes payable in 1991; or

(ii) only partial credits may be paid for 1990 taxes payable in 1991.

(B) A failure by the fiscal officer of the consolidated city to make a determination by June 15, 1991, of whether credits are payable under this subsection.

(10) An appeal of a determination must be filed not later than thirty (30) days after the publication of the determination. Any such appeal shall be decided by the court within sixty (60) days.

(11) An appeal of a failure by the fiscal officer of the consolidated city to make a determination of whether credits are payable under this subsection must be filed by July 15, 1991. Any such appeal shall be decided by the court within sixty (60) days.

(12) If 1991 taxes payable in 1992 with respect to a parcel are billed to the same taxpayer to which 1990 taxes payable in 1991 were billed, the county treasurer shall apply to the tax bill for 1991 taxes payable in 1992 both the credit provided under subsection (g) and the credit provided under this subsection, along with any credit determined to be applicable to the tax bill under subsection (i). In the alternative, at the election of the county auditor, the county may pay to the taxpayer the amount of the credit by May 10, 1992, and the amount shall be charged to the taxing units in which the allocation area is located in the proportion of the taxing units' respective tax rates for 1990 taxes payable in 1991.

(13) If 1991 taxes payable in 1992 with respect to a parcel are billed to a taxpayer other than the taxpayer to which 1990 taxes payable in 1991 were billed, the county treasurer shall do the following:

(A) Apply only the credits under subsections (g) and (i) to the tax bill for 1991 taxes payable in 1992.

(B) Give notice by June 30, 1991, by publication two (2) times in three (3) newspapers in the county with the largest circulation of the availability of a refund of the credit under this subsection.

A taxpayer entitled to a credit must file an application for refund of the credit with the county auditor not later than November 30, 1991.

(14) A taxpayer who files an application by November 30, 1991, is entitled to payment from the county treasurer in an amount that is in the same proportion to the credit provided under this subsection with respect to a parcel as the amount of 1990 taxes payable in 1991 paid by the taxpayer with respect to the parcel bears to the 1990 taxes payable in 1991 with respect to the parcel. This amount shall be paid to the taxpayer by May 10, 1992, and shall be charged to the taxing units in which the allocation area is located in

the proportion of the taxing units' respective tax rates for 1990 taxes payable in 1991.

(i) This subsection applies to an allocation area if allocated taxes from that area were pledged to bonds, leases, or other obligations of the commission before May 8, 1989. The following apply to the credit granted under this subsection:

(1) A prior year credit is applicable to property taxes first due and payable in each year from 1987 through 1990 (the "prior years").

(2) The credit for each prior year is equal to:

(A) the amount of the quotient determined under STEP TWO of subsection (e) for the prior year; multiplied by

(B) the total amount of the property taxes paid by the taxpayer that were allocated in the prior year to the allocation area special fund under section 26 of this chapter.

(3) Before January 31, 1992, the county auditor shall determine the amount of credits under subdivision (2) with respect to each parcel in the allocation area for all prior years with respect to which:

(A) taxes were billed to the same taxpayer for taxes payable in each year from 1987 through 1991; or

(B) an application was filed by November 30, 1991, under subdivision (8) for refund of the credits for prior years.

A report of the determination by parcel shall be sent by the county auditor to the department of local government finance and the budget agency within five (5) days of such determination.

(4) Before January 31, 1992, the county auditor shall determine the quotient of the amounts determined under subdivision (3) with respect to each parcel divided by six (6).

(5) Before January 31, 1992, the county auditor shall determine the quotient of the aggregate amounts determined under subdivision (3) with respect to all parcels divided by twelve (12).

(6) Except as provided in subdivisions (7) and (9), in each year in which credits from prior years remain unpaid, credits for the prior years in the amounts determined under subdivision (4) shall be applied as provided in this subsection.

(7) If taxes payable in the current year with respect to a parcel are billed to the same taxpayer to which taxes payable in all of the prior years were billed and if the amount determined under subdivision (3) with respect to the parcel is at least five hundred dollars (\$500), the county treasurer shall apply the credits provided for the current year under subsections (g) and (h) and the credit in the amount determined under subdivision (4) to the tax bill for taxes payable in the current year. However, if the amount determined under subdivision (3) with respect to the parcel is less than five hundred dollars (\$500) (referred to in this subdivision as "small claims"), the county may, at the election of the county auditor, either apply a credit in the amount determined under subdivision (3) or (4) to the tax bill for taxes payable in the current year or pay either amount to the taxpayer. If title to a parcel transfers in a

year in which a credit under this subsection is applied to the tax bill, the transferor may file an application with the county auditor within thirty (30) days of the date of the transfer of title to the parcel for payments to the transferor at the same times and in the same amounts that would have been allowed as credits to the transferor under this subsection if there had not been a transfer. If a determination is made by the county auditor to refund or credit small claims in the amounts determined under subdivision (3) in 1992, the county auditor may make appropriate adjustments to the credits applied with respect to other parcels so that the total refunds and credits in any year will not exceed the payments made from the state property tax replacement fund to the prior year credit fund referred to in subdivision (11) in that year.

(8) If taxes payable in the current year with respect to a parcel are billed to a taxpayer that is not a taxpayer to which taxes payable in all of the prior years were billed, the county treasurer shall do the following:

(A) Apply only the credits under subsections (g) and (h) to the tax bill for taxes payable in the current year.

(B) Give notice by June 30, 1991, by publication two (2) times in three (3) newspapers in the county with the largest circulation of the availability of a refund of the credit.

A taxpayer entitled to the credit must file an application for refund of the credit with the county auditor not later than November 30, 1991. A refund shall be paid to an eligible applicant by May 10, 1992.

(9) A taxpayer who filed an application by November 30, 1991, is entitled to payment from the county treasurer under subdivision (8) in an amount that is in the same proportion to the credit determined under subdivision (3) with respect to a parcel as the amount of taxes payable in the prior years paid by the taxpayer with respect to the parcel bears to the taxes payable in the prior years with respect to the parcel.

(10) In each year on May 1 and November 1, the state shall pay to the county treasurer from the state property tax replacement fund the amount determined under subdivision (5).

(11) All payments received from the state under subdivision (10) shall be deposited into a special fund to be known as the prior year credit fund. The prior year credit fund shall be used to make:

(A) payments under subdivisions (7) and (9); and

(B) deposits into the special fund for the application of prior year credits.

(12) All amounts paid into the special fund for the allocation area under subdivision (11) are subject to any pledge of allocated property tax proceeds made by the redevelopment district under section 26(d) of this chapter, including but not limited to any pledge made to owners of outstanding bonds of the redevelopment district of allocated taxes from that area.

(13) By January 15, 1993, and by January 15 of each year thereafter, the county auditor shall send to the department of local government finance and the budget agency a report

of the receipts, earnings, and disbursements of the prior year credit fund for the prior calendar year. If in the final year that credits under subsection (i) are allowed any balance remains in the prior year credit fund after the payment of all credits payable under this subsection, such balance shall be repaid to the treasurer of state for deposit in the property tax replacement fund.

(14) In each year, the county shall limit the total of all refunds and credits provided for in this subsection to the total amount paid in that year from the property tax replacement fund into the prior year credit fund and any balance remaining from the preceding year in the prior year credit fund.

(j) ~~This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-20.9-1) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (e) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).~~

SECTION 62. IC 36-7-15.1-35, AS AMENDED BY P.L.219-2007, SECTION 131, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 35. (a) Notwithstanding section 26(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 32 of this chapter, "base assessed value" means the net assessed value of all of the land as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 26(g) of this chapter. However, "base assessed value" does not include the value of real property improvements to the land.

(b) The special fund established under section 26(b) of this chapter for the allocation area for a program adopted under section 32 of this chapter may be used only for purposes related to the accomplishment of the program, including the following:

- (1) The construction, rehabilitation, or repair of residential units within the allocation area.
- (2) The construction, reconstruction, or repair of infrastructure (such as streets, sidewalks, and sewers) within or serving the allocation area.
- (3) The acquisition of real property and interests in real property within the allocation area.
- (4) The demolition of real property within the allocation area.
- (5) To provide financial assistance to enable individuals and families to purchase or lease residential units within the allocation area. However, financial assistance may be provided only to those individuals and families whose income is at or below the county's median income for individuals and families, respectively.
- (6) To provide financial assistance to neighborhood development corporations to permit them to provide

financial assistance for the purposes described in subdivision (5).

(7) To provide each taxpayer in the allocation area a credit for property tax replacement as determined under subsections (c) and (d). However, this credit may be provided by the commission only if the city-county legislative body establishes the credit by ordinance adopted in the year before the year in which the credit is provided.

(c) The maximum credit that may be provided under subsection (b)(7) to a taxpayer in a taxing district that contains all or part of an allocation area established for a program adopted under section 32 of this chapter shall be determined as follows:

STEP ONE: Determine that part of the sum of the amounts described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4(a)(1) that is attributable to the taxing district; by

(B) the amount determined under STEP ONE.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district allocated to the allocation fund, including the amount that would have been allocated but for the credit.

(d) ~~Except as provided in subsection (g),~~ The commission may determine to grant to taxpayers in an allocation area from its allocation fund a credit under this section, as calculated under subsection (c), by applying one-half (1/2) of the credit to each installment of taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable in a year. ~~Except as provided in subsection (g),~~ One-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). The commission must provide for the credit annually by a resolution and must find in the resolution the following:

- (1) That the money to be collected and deposited in the allocation fund, based upon historical collection rates, after granting the credit will equal the amounts payable for contractual obligations from the fund, plus ten percent (10%) of those amounts.
- (2) If bonds payable from the fund are outstanding, that there is a debt service reserve for the bonds that at least equals the amount of the credit to be granted.
- (3) If bonds of a lessor under section 17.1 of this chapter or under IC 36-1-10 are outstanding and if lease rentals are payable from the fund, that there is a debt service reserve for those bonds that at least equals the amount of the credit to be granted.

If the tax increment is insufficient to grant the credit in full, the commission may grant the credit in part, prorated among all taxpayers.

(e) Notwithstanding section 26(b) of this chapter, the special fund established under section 26(b) of this chapter for the allocation area for a program adopted under section 32 of this chapter may only be used to do one (1) or more of the following:

(1) Accomplish one (1) or more of the actions set forth in section 26(b)(2)(A) through 26(b)(2)(H) of this chapter.

(2) Reimburse the consolidated city for expenditures made by the city in order to accomplish the housing program in that allocation area.

The special fund may not be used for operating expenses of the commission.

(f) Notwithstanding section 26(b) of this chapter, the commission shall, relative to the special fund established under section 26(b) of this chapter for an allocation area for a program adopted under section 32 of this chapter, do the following before July 15 of each year:

(1) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary:

- (A) to make, when due, principal and interest payments on bonds described in section 26(b)(2) of this chapter;
- (B) to pay the amount necessary for other purposes described in section 26(b)(2) of this chapter; and
- (C) to reimburse the consolidated city for anticipated expenditures described in subsection (e)(2).

(2) Notify the county auditor of the amount, if any, of excess property taxes that the commission has determined may be paid to the respective taxing units in the manner prescribed in section 26(b)(1) of this chapter.

~~(g) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-20-9-1) are due in installments established by the department of local government finance under IC 6-1.1-22-9-5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (d) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).~~

SECTION 63. IC 36-7-15.1-56, AS AMENDED BY P.L.219-2007, SECTION 133, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 56. (a) As used in this section, "allocation area" has the meaning set forth in section 53 of this chapter.

(b) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(c) Subject to subsection (e), ~~and except as provided in subsection (h)~~, each taxpayer in an allocation area is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable in that year. ~~Except as provided in subsection (h)~~, One-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that would have been allocated to an allocation fund under section 53 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the development district and paid into an allocation fund under section 53(b)(2) of this chapter.

(d) If the additional credit under subsection (c) is not reduced under subsection (e) or (f), the credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (c) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. The credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (c) shall be combined on the tax statements sent to each taxpayer.

(e) Upon the recommendation of the commission, the excluded city legislative body may, by resolution, provide that the additional credit described in subsection (c):

(1) does not apply in a specified allocation area; or

(2) is to be reduced by a uniform percentage for all taxpayers in a specified allocation area.

(f) Whenever the excluded city legislative body determines that granting the full additional credit under subsection (c) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the excluded city legislative body must adopt a resolution under subsection (e) to deny the additional credit or reduce it to a level that creates a reasonable expectation that the bonds or other obligations will be paid when due. A resolution adopted under subsection (e) denies or reduces the additional credit for property taxes first due and payable in the allocation area in any year following the year in which the resolution is adopted.

(g) A resolution adopted under subsection (e) remains in effect until it is rescinded by the body that originally adopted it. However, a resolution may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If a resolution is rescinded and no other resolution is adopted, the additional credit described in subsection (c) applies to property taxes first due and payable in the allocation area in each year following the year in which the resolution is rescinded.

~~(h) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local~~



government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-20.9-1) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (c) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).

SECTION 64. IC 36-7-30-27, AS AMENDED BY P.L.219-2007, SECTION 135, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 27. (a) As used in this section, "allocation area" has the meaning set forth in section 25 of this chapter.

(b) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(c) Subject to subsection (e), ~~and except as provided in subsection (h);~~ each taxpayer in an allocation area is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable in that year. ~~Except as provided in subsection (h);~~ One-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that would have been allocated to an allocation fund under section 25 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the military base reuse district and paid into an allocation fund under section 25(b)(2) of this chapter.

(d) If the additional credit under subsection (c) is not reduced under subsection (e) or (f), the credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (c) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. The credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (c) shall be combined on the tax statements sent to each taxpayer.

(e) Upon the recommendation of the reuse authority, the municipal legislative body (in the case of a reuse authority established by a municipality) or the county executive (in the case of a reuse authority established by a county) may by resolution provide that the additional credit described in

subsection (c):

(1) does not apply in a specified allocation area; or

(2) is to be reduced by a uniform percentage for all taxpayers in a specified allocation area.

(f) If the municipal legislative body or county executive determines that granting the full additional credit under subsection (c) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the municipal legislative body or county executive must adopt a resolution under subsection (e) to deny the additional credit or reduce the credit to a level that creates a reasonable expectation that the bonds or other obligations will be paid when due. A resolution adopted under subsection (e) denies or reduces the additional credit for property taxes first due and payable in the allocation area in any year following the year in which the resolution is adopted.

(g) A resolution adopted under subsection (e) remains in effect until rescinded by the body that originally adopted the resolution. However, a resolution may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If a resolution is rescinded and no other resolution is adopted, the additional credit described in subsection (c) applies to property taxes first due and payable in the allocation area in each year following the year in which the resolution is rescinded.

~~(h) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-20.9-1) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (c) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).~~

SECTION 65. IC 36-7-30.5-32, AS AMENDED BY P.L.219-2007, SECTION 138, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 32. (a) As used in this section, "allocation area" has the meaning set forth in section 30 of this chapter.

(b) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(c) Subject to subsection (e), ~~and except as provided in subsection (h);~~ each taxpayer in an allocation area is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable in that year. ~~Except as provided in subsection (h);~~ One-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or

part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that would have been allocated to an allocation fund under section 30 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the military base development district and paid into an allocation fund under section 30(b)(2) of this chapter.

(d) If the additional credit under subsection (c) is not reduced under subsection (e) or (f), the credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (c) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. The credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (c) shall be combined on the tax statements sent to each taxpayer.

(e) Upon the recommendation of the development authority, the municipal legislative body of an affected municipality or the county executive of an affected county may by resolution provide that the additional credit described in subsection (c):

(1) does not apply in a specified allocation area; or

(2) is to be reduced by a uniform percentage for all taxpayers in a specified allocation area.

(f) If the municipal legislative body or county executive determines that granting the full additional credit under subsection (c) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the municipal legislative body or county executive must adopt a resolution under subsection (e) to deny the additional credit or reduce the credit to a level that creates a reasonable expectation that the bonds or other obligations will be paid when due. A resolution adopted under subsection (e) denies or reduces the additional credit for property taxes first due and payable in the allocation area in any year following the year in which the resolution is adopted.

(g) A resolution adopted under subsection (e) remains in effect until rescinded by the body that originally adopted the resolution. However, a resolution may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that the principal of or interest on the bonds or other

obligations would not be paid when due. If a resolution is rescinded and no other resolution is adopted, the additional credit described in subsection (c) applies to property taxes first due and payable in the allocation area in each year following the year in which the resolution is rescinded.

(h) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-20-9-1) are due in installments established by the department of local government finance under IC 6-1.1-22-9-5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (c) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).

SECTION 66. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2009]: IC 6-1.1-12-41; IC 6-1.1-18.5-9.9; IC 6-1.1-20.4; IC 6-1.1-20.6-1; IC 6-1.1-20.6-2; IC 6-1.1-20.6-4; IC 6-1.1-20.6-5; IC 6-1.1-20.6-6; IC 6-1.1-20.6-6.5; IC 6-1.1-20.6-9; IC 6-1.1-21-5.5; IC 6-1.1-22-9.5; IC 6-1.1-37-10.5; IC 6-3-2-6; IC 6-3.1-20; IC 6-3.5-7-25; IC 6-3.5-7-25.5.

SECTION 67. [EFFECTIVE JANUARY 1, 2009] (a) The department of state revenue shall waive interest and penalties, as the department of state revenue determines appropriate, for an underpayment before July 30, 2008, of estimated taxes or wage withholding that is due solely to the effect of the amendment of IC 6-3-2-1 by this act.

(b) A taxpayer that is subject in a taxable year to different state adjusted gross income tax rates as a result of the amendment of IC 6-3-2-1 by this act shall pay taxes at each rate equal to the product of:

(1) the amount of adjusted gross income taxes that the taxpayer would owe if the particular tax rate had been imposed during the taxpayer's entire taxable year; multiplied by

(2) a fraction:

(A) the numerator of the fraction equals the number of days during the taxpayer's taxable year during which the tax rate was in effect; and

(B) the denominator of the fraction equals the total number of days in the taxpayer's taxable year.

The department of state revenue shall provide instructions to employers and taxpayers to implement this subsection.

(c) For purposes of:

(1) IC 6-2.5-2-2, as amended by this act;

(2) IC 6-2.5-6-7, as amended by this act;

(3) IC 6-2.5-6-8, as amended by this act;

(4) IC 6-2.5-6-10, as amended by this act;

(5) IC 6-2.5-7-3, as amended by this act; and

(6) IC 6-2.5-7-5, as amended by this act;

all transactions, except the furnishing of public utility, telephone, or cable television services and commodities by retail merchants described in IC 6-2.5-4-5, IC 6-2.5-4-6, and IC 6-2.5-4-11, shall be considered as having occurred after June 30, 2008, to the extent that delivery of the property or

services constituting selling at retail is made after that date to the purchaser or to the place of delivery designated by the purchaser. However, a transaction shall be considered as having occurred before July 1, 2008, to the extent that the agreement of the parties to the transaction was entered into before July 1, 2008, and payment for the property or services furnished in the transaction is made before July 1, 2008, notwithstanding the delivery of the property or services after June 30, 2008.

(d) With respect to a transaction constituting the furnishing of public utility, telephone, or cable television services and commodities, only transactions for which the charges are collected upon original statements and billings dated after October 31, 2008, shall be considered as having occurred after June 30, 2008.

(e) The amendments made by this act to IC 6-3.5 apply to the use of a certified distribution made to a county after December 31, 2008.

(f) Notwithstanding P.L.234-2007, the appropriation made to the property tax replacement board for distributions to taxing units under IC 6-1.1-21 is reduced by the amount that would have been allocated for distributions after December 31, 2008, and before July 1, 2009, to replace homestead credits if this act had not been enacted, as determined by the budget agency.

(g) There is appropriated, beginning July 1, 2008, and ending June 30, 2009, two hundred thirty-seven million two hundred twenty-three thousand one hundred sixty dollars (\$237,223,160) from the revenue replacement account of the county government security trust fund to the department of state revenue to provide distributions under IC 6-1.1-20.9, as amended by this act, to taxing units in the first six (6) months of 2009. The restrictions placed by P.L.234-2007 on the appropriation to the property tax replacement fund board for distributions to taxing units under IC 6-1.1-21 do not apply to the appropriation under this subsection. Augmentation allowed (as defined in P.L.234-2007, SECTION 1).

(h) This subsection applies to a county that is an adopting county (as determined under IC 6-1.1-18.5-4). The department of local government finance shall adjust the maximum permissible ad valorem levy under IC 6-1.1-18.5-3 of each civil taxing unit in an adopting county and the county's total county levy, as determined under IC 6-1.1-21-2, to eliminate the effects of the amendment made by this act to IC 6-3.5-1.1-11.

SECTION 68. An emergency is declared for this act.

(Reference is to EHB 1001 as printed February 20, 2008.)

HUME

Upon request of Senator Hume the President ordered the roll of the Senate to be called. Roll Call 241: yeas 15, nays 28.

Motion failed.

SENATE MOTION  
(Amendment 1001-20)

Madam President: I move that Engrossed House Bill 1001 be

amended to read as follows:

Page 765, between lines 30 and 31, begin a new paragraph and insert:

"SECTION 816. [EFFECTIVE UPON PASSAGE] (a) Before August 1, 2008, the department of local government finance shall report to the commission on state tax and financing policy established under IC 2-5-3 regarding:

- (1) the possibility of eliminating the existing method of assessing and valuing property for the purpose of property taxation; and
- (2) the use of alternative methods of valuing property for the purpose of property taxation.

(b) The department of local government finance shall report to the commission on state tax and financing policy concerning at least three (3) options related to alternative methods of valuing property for the purpose of property taxation.

(c) The commission on state tax and financing policy shall study the issues described in subsection (a) and report the commission's findings and recommendations (in an electronic format under IC 5-14-6) to the legislative council before November 1, 2008.

(d) This SECTION expires July 1, 2009."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1001 as printed January 20, 2008.)

MILLER

Motion prevailed.

SENATE MOTION  
(Amendment 1001-21)

Madam President: I move that Engrossed House Bill 1001 be amended to read as follows:

Page 599, between lines 38 and 39, begin a new paragraph and insert:

"SECTION 690. IC 36-3-6-9, AS AMENDED BY P.L.1-2006, SECTION 561, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. (a) The city-county legislative body shall review the proposed operating and maintenance budgets and tax levies and adopt final operating and maintenance budgets and tax levies for each of the following entities in the county:

- (1) An airport authority operating under IC 8-22-3.
- (2) A public library operating under IC 36-12.
- (3) A capital improvement board of managers operating under IC 36-10.
- (4) A public transportation corporation operating under IC 36-9-4.
- (5) A health and hospital corporation established under IC 16-22-8.
- (6) Any other taxing unit (as defined in IC 6-1.1-1-21) that is located in the county and has a governing body that is not comprised of a majority of officials who are elected to serve on the governing body.

Except as provided in subsection (c), the city-county legislative body may reduce or modify but not increase a proposed operating and maintenance budget or tax levy under this section.

(b) The board of each entity listed in subsection (a) shall, after adoption of its proposed budget and tax levies, submit them, along with detailed accounts, to the city clerk before the first day of September of each year.

(c) The city-county legislative body may review the issuance of bonds of an entity listed in subsection (a), but approval of the city-county legislative body is not required for the issuance of bonds. The city-county legislative body may not reduce or modify a budget or tax levy of an entity listed in subsection (a) in a manner that would:

- (1) limit or restrict the rights vested in the entity to fulfill the terms of any agreement made with the holders of the entity's bonds; or
- (2) in any way impair the rights or remedies of the holders of the entity's bonds.

(d) If the assessed valuation of a taxing unit is entirely contained within an excluded city or town (as described in IC 36-3-1-7) that is located in a county having a consolidated city, the governing body of the taxing unit shall submit its proposed operating and maintenance budget and tax levies to the city or town fiscal body for approval.

(e) The city-county legislative body may review and modify the operating and maintenance budgets and the tax levies of a health and hospital corporation operating under IC 16-22-8. If the total of all proposed property tax levies for the health and hospital corporation for the ensuing calendar year is more than five percent (5%) greater than the total of all property tax levies for the health and hospital corporation for the current calendar year, the city-county legislative body shall review the proposed budget and the tax levies of the health and hospital corporation and shall adopt the final budget and tax levies for the health and hospital corporation. Except as provided in subsection (c), the city-county legislative body may reduce or modify but not increase the health and hospital corporation's proposed operating and maintenance budget or tax levy under this section. The board of the health and hospital corporation shall, after adoption of its proposed budget and tax levies, submit them, along with detailed accounts, to the city clerk before the first day of September of each year."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1001 as printed February 20, 2008.)

MILLER

Motion prevailed.

SENATE MOTION  
(Amendment 1001-2)

Madam President: I move that Engrossed House Bill 1001 be amended to read as follows:

Page 244, between lines 23 and 24, begin a new paragraph and insert:

"SECTION 240. IC 6-1.1-22-9.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9.7. (a) As used in this section, "current year" refers to the calendar year in which property taxes are first due and payable and are subject to payment under this section:

- (1) by automatic deduction from a checking account; or

(2) under a monthly installment plan.

(b) As used in this section, "monthly installment plan" means a plan that:

- (1) is adopted under this section;
- (2) provides for the monthly payment of tax liability; and
- (3) does not involve an automatic deduction from a checking account.

(c) As used in this section, "preceding year" refers to the calendar year that immediately precedes the current year.

(d) As used in this section, "tax liability" includes liability for special assessments and refers to liability for property taxes after the application of all allowed deductions and credits.

(e) The county fiscal body (as defined in IC 36-1-2-6) may at any time adopt an ordinance to allow all county taxpayers to pay one (1) or more installments of property taxes by any combination of the following:

(1) Automatic monthly deductions from a checking account.

(2) Payments under a monthly installment plan.

(f) An ordinance adopted under subsection (e):

- (1) may apply to more than one (1) calendar year; and
- (2) must include at least the following:

(A) Identification of the property tax installment or installments for which payment:

- (i) by automatic deduction from a checking account; or
- (ii) under a monthly installment plan;

is authorized.

(B) Provisions for notice to county taxpayers of the option to pay one (1) or more property tax installments:

- (i) by automatic deduction from a checking account; or
- (ii) under a monthly installment plan.

(C) Authority for the county treasurer to make available to county taxpayers a form to be completed by a taxpayer and submitted to the county treasurer to:

- (i) direct the county treasurer to accept payment of the taxpayer's property taxes by automatic deduction from a checking account; and
- (ii) authorize the institution that holds the taxpayer's checking account to deduct monthly the appropriate amount from the account and to pay that amount to the county treasurer.

However, this clause applies only if the county fiscal body has adopted an ordinance under this section to allow taxpayers to pay property taxes by automatic deductions from a checking account.

(D) Authority for the county treasurer to accept payment of the taxpayer's property taxes under a monthly installment plan. However, this clause applies only if the county fiscal body has adopted an ordinance under this section to allow taxpayers to pay property taxes by monthly installment payments under a monthly installment plan.

An ordinance adopted under subsection (e) may include a provision authorizing taxpayers to make monthly deductions or monthly installment payments in an amount determined by the taxpayer that is different from the amount otherwise determined by the county treasurer under subsection (h), (i), (j), or (k).

(g) If an ordinance is adopted under subsection (e) to allow taxpayers to pay property taxes by automatic deductions from a checking account, the county treasurer shall provide to each county taxpayer that submits to the county treasurer the form referred to in subsection (f)(2)(C) a statement that includes at least the following:

- (1) The amount to be deducted monthly from the taxpayer's checking account.
- (2) Identification of the day each month, as chosen by the taxpayer, when the deduction will be made.
- (3) A calculation of the amount to be deducted.
- (4) An explanation of the manner in which property taxes for the current year will be reconciled under subsection (n) and notice that any property tax payments for the current year made by the taxpayer by means other than automatic deduction from the taxpayer's checking account will be taken into account in the reconciliation.
- (5) An explanation of the penalties that apply if there are insufficient funds in the taxpayer's checking account to cover one (1) or more automatic deductions.

(h) This subsection applies only if the county treasurer determines that at the time the calculation under subsection (g)(3) is made the amount of tax liability for the current year has not been determined. Subject to subsections (i) and (j), the county treasurer shall do the following:

- (1) Determine the following:
  - (A) For a parcel of real property, the most recently determined amount of tax liability that applied to the parcel for the preceding year.
  - (B) For a personal property return, the most recently determined amount of tax liability that applied for the personal property return for the same location for the preceding year.
  - (C) For distributable property, the most recently determined amount of tax liability that applied with respect to the statement filed by the taxpayer under IC 6-1.1-8-19 for the preceding year.
  - (D) For a mobile home subject to IC 6-1.1-7, the most recently determined amount of tax liability that applied to the mobile home for the preceding year.

(2) Determine the amount of the monthly deduction from the taxpayer's checking account or the amount due under a monthly installment plan in the amount determined in the last STEP of the following STEPS:

STEP ONE: Determine under subdivision (1) the amount of tax liability that applied for the preceding year.

STEP TWO: Determine the quotient of:

- (i) the number of property tax installments for the current year identified in the ordinance under subsection (f)(2)(A); divided by

- (ii) the total number of property tax installments for the current year.

STEP THREE: Multiply the STEP ONE result by the STEP TWO result.

STEP FOUR: Determine the quotient of:

- (i) the STEP THREE result; divided by
- (ii) the number of monthly deductions or, in the case of payments under a monthly installment plan, the number of monthly installments.

(i) The county treasurer may determine the monthly deduction or the amount of the monthly installment due under a monthly installment plan in an amount different from the amount determined under subsection (h) if the county treasurer determines that changes in circumstances have caused the amount determined under subsection (h) to differ substantially from the tax liability likely to be determined for the current year.

(j) This subsection applies only if before an ordinance is adopted under subsection (e) the county treasurer determines to use provisional property tax statements under IC 6-1.1-22.5 for the current year. For purposes of determining the amount of the monthly deduction from the taxpayer's checking account or the amount of the taxpayer's monthly installment payment under a monthly installment plan, the county treasurer shall substitute for the tax liability that applied to the parcel for the preceding year under subsection (h) the tax liability to be indicated on the provisional statement.

(k) This subsection applies only if the county treasurer determines that at the time the calculation under subsection (g)(3) is made the amount of tax liability for the current year has been determined. The amount of the monthly deduction from the taxpayer's checking account or the amount of the taxpayer's monthly installment payment under a monthly installment plan is the amount of the tax liability for the current year payable in the installment or installments identified in the ordinance under subsection (f)(2)(A) divided by the number of monthly deductions.

(l) Tax liability paid under this section by automatic deduction from a checking account is not finally discharged and the person has not paid the tax until the taxpayer's checking account is charged for the payment.

(m) Penalties apply under IC 6-1.1-37-10 as specified in this section to taxes payable by automatic deduction from a checking account or by monthly installment payments under a monthly installment plan under this section.

(n) After the last monthly checking account deduction or last monthly installment payment under a monthly installment plan under this section for the current year has been made and after the amount of tax liability for the current year has been determined, the county treasurer shall issue a reconciling statement to the taxpayer. Each reconciling statement must indicate at least the following:

(1) The sum of:

- (A) the taxpayer's actual tax liability for the current year; plus
- (B) any penalty that applies for the current year.

(2) The total amount paid for the current year by automatic deductions, monthly installment payments under a monthly installment plan, and by means other than automatic deductions or monthly installment payments.

(3) If the amount under subdivision (1) exceeds the amount under subdivision (2), the deficiency is payable by the taxpayer:

(A) as a final reconciliation of the tax liability; and

(B) not later than thirty (30) days after the date of the reconciling statement.

(4) If the amount under subdivision (2) exceeds the amount under subdivision (1), that the county treasurer will apply the excess as a credit against the taxpayer's tax liability for the immediately succeeding calendar year unless the taxpayer makes a claim for refund of the excess under IC 6-1.1-26.

(o) The county auditor shall distribute tax collections under this section to the appropriate taxing units at the semiannual settlements under IC 6-1.1-27. However, this subsection does not prohibit a county treasurer from making an advance to a political subdivision under IC 5-13-6-3 of a part of the taxes collected.

(p) IC 6-1.1-15:

(1) does not apply to a statement provided under subsection (g); and

(2) applies to a reconciling statement issued under subsection (n).

(q) The following apply to a taxpayer that makes automatic monthly deductions or monthly installments under this section:

(1) If a taxpayer makes automatic monthly deductions or monthly installments of property taxes in the amount determined by the county treasurer under subsection (h), (i), (j), or (k), the taxpayer's property tax payments shall not be considered delinquent for purposes of IC 6-1.1-37-10 and the taxpayer is not subject to penalties under that section.

(2) If a taxpayer:

(A) makes automatic monthly deductions or monthly installments of property taxes in an amount that is less than the amount determined by the county treasurer under subsection (h), (i), (j), or (k); and

(B) the total amount of property taxes paid by the taxpayer under automatic monthly deductions, monthly installments, or any other method by the May or November due date is less than the amount determined by the county treasurer under subsection (h), (i), (j), or (k) that should have been paid by the taxpayer for the May or November due date;

the penalty provisions of IC 6-1.1-37-10 apply to the delinquent property taxes.

(r) IC 6-1.1-37-10 applies to any amounts due under a reconciling statement issued under subsection (n) that are not paid within thirty (30) days after the date of the reconciling statement, as required under subsection (n)(3).

(s) For purposes of IC 6-1.1-24-1(a)(1):

(1) property taxes to be paid by automatic deduction or by monthly installments under a monthly installment plan under this section before June of the current year are considered to be the taxpayer's spring installment of property taxes; and

(2) payment on a reconciling statement issued under subsection (n) is considered to be due before the due date of the first installment of property taxes payable in the year immediately following the current year.

SECTION 241. IC 6-1.1-22.5-6, AS AMENDED BY P.L.67-2006, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6. (a) Except as provided in subsection (c), with respect to property taxes payable under this article on assessments determined for the 2003 assessment date or the assessment date in any later year, the county treasurer may, except as provided by section 7 of this chapter, use a provisional statement under this chapter if the county auditor fails to deliver the abstract for that assessment date to the county treasurer under IC 6-1.1-22-5 before March 16 of the year following the assessment date.

(b) The county treasurer shall give notice of the provisional statement, including disclosure of the method that is to be used in determining the tax liability to be indicated on the provisional statement, by publication one (1) time:

(1) in the form prescribed by the department of local government finance; and

(2) in the manner described in IC 6-1.1-22-4(b).

The notice may be combined with the notice required under section 10 of this chapter.

(c) Subsection (a) does not apply if the county auditor fails to deliver the abstract as provided in IC 6-1.1-22-5(b).

(d) Immediately upon determining to use provisional statements under subsection (a), the county treasurer shall give notice of the determination to the county fiscal body (as defined in IC 36-1-2-6)."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1001 as printed February 20, 2008.)

TALLIAN

Motion prevailed.

SENATE MOTION  
(Amendment 1001-19)

Madam President: I move that Engrossed House Bill 1001 be amended to read as follows:

Page 2, between lines 23 and 24, begin a new paragraph and insert:

"(c) A person who runs in an election under IC 36-6-5-1 after June 30, 2008, for the office of a township trustee who performs all the duties and has all the rights and powers of a township assessor must have attained the certification of a level two assessor-appraiser under IC 6-1.1-35.5 before taking office to qualify to perform those duties and to assume those rights and powers.

(d) A person who runs successfully under subsection (c) but has not attained the certification of a level two assessor-appraiser under IC 6-1.1-35.5 before taking office:

- (1) may perform in office only duties other than the duties of a township assessor under IC 36-6-5-1; and
- (2) has only the rights and powers of a trustee other than the rights and powers of a township assessor under IC 36-6-5-1.

The restrictions under this subsection apply to the entire term for which the person takes office, regardless of whether the person attains the certification of a level two assessor-appraiser under IC 6-1.1-35.5 during the term of office.

SECTION 4. IC 3-10-1-19, AS AMENDED BY P.L.164-2006, SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 19. (a) The ballot for a primary election shall be printed in substantially the following form for all the offices for which candidates have qualified under IC 3-8:

OFFICIAL PRIMARY BALLOT

\_\_\_\_\_ Party

For paper ballots, print: To vote for a person, make a voting mark (X or ✓) on or in the box before the person's name in the proper column. For optical scan ballots, print: To vote for a person, darken or shade in the circle, oval, or square (or draw a line to connect the arrow) that precedes the person's name in the proper column. For optical scan ballots that do not contain a candidate's name, print: To vote for a person, darken or shade in the oval that precedes the number assigned to the person's name in the proper column. For electronic voting systems, print: To vote for a person, touch the screen (or press the button) in the location indicated.

Vote for one (1) only

Representative in Congress

- ☐ (1) AB \_\_\_\_\_
- ☐ (2) CD \_\_\_\_\_
- ☐ (3) EF \_\_\_\_\_
- ☐ (4) GH \_\_\_\_\_

(b) The offices with candidates for nomination shall be placed on the primary election ballot in the following order:

- (1) Federal and state offices:
  - (A) President of the United States.
  - (B) United States Senator.
  - (C) Governor.
  - (D) United States Representative.
- (2) Legislative offices:
  - (A) State senator.
  - (B) State representative.
- (3) Circuit offices and county judicial offices:
  - (A) Judge of the circuit court, and unless otherwise specified under IC 33, with each division separate if there is more than one (1) judge of the circuit court.
  - (B) Judge of the superior court, and unless otherwise specified under IC 33, with each division separate if there is more than one (1) judge of the superior court.
  - (C) Judge of the probate court.
  - (D) Judge of the county court, with each division separate, as required by IC 33-30-3-3.
  - (E) Prosecuting attorney.
  - (F) Circuit court clerk.
- (4) County offices:

- (A) County auditor.
- (B) County recorder.
- (C) County treasurer.
- (D) County sheriff.
- (E) County coroner.
- (F) County surveyor.
- (G) County assessor.
- (H) County commissioner.
- (I) County council member.

(5) Township offices:

- (A) Township assessor, **subject to IC 36-2-15-11(a)(3).**
- (B) Township trustee.
- (C) Township board member.
- (D) Judge of the small claims court.
- (E) Constable of the small claims court.

(6) City offices:

- (A) Mayor.
- (B) Clerk or clerk-treasurer.
- (C) Judge of the city court.
- (D) City-county council member or common council member.

(7) Town offices:

- (A) Clerk-treasurer.
- (B) Judge of the town court.
- (C) Town council member.

(c) The political party offices with candidates for election shall be placed on the primary election ballot in the following order after the offices described in subsection (b):

- (1) Precinct committeeman.
- (2) State convention delegate.

(d) The following offices and public questions shall be placed on the primary election ballot in the following order after the offices described in subsection (c):

- (1) School board offices to be elected at the primary election.
- (2) Other local offices to be elected at the primary election.
- (3) Local public questions.

(e) The offices and public questions described in subsection (d) shall be placed:

- (1) in a separate column on the ballot if voting is by paper ballot;
- (2) after the offices described in subsection (c) in the form specified in IC 3-11-13-11 if voting is by ballot card; or
- (3) either:

- (A) on a separate screen for each office or public question; or
- (B) after the offices described in subsection (c) in the form specified in IC 3-11-14-3.5;

if voting is by an electronic voting system.

(f) A public question shall be placed on the primary election ballot in the following form:

(The explanatory text for the public question,  
if required by law.)

"Shall (insert public question)?"

☐ YES

☐ NO

SECTION 5. IC 3-10-2-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 13. The

following public officials shall be elected at the general election before their terms of office expire and every four (4) years thereafter:

- (1) Clerk of the circuit court.
- (2) County auditor.
- (3) County recorder.
- (4) County treasurer.
- (5) County sheriff.
- (6) County coroner.
- (7) County surveyor.
- (8) County assessor.
- (9) County commissioner.
- (10) County council member.
- (11) Township trustee.
- (12) Township board member.
- (13) Township assessor, **subject to IC 36-2-15-11(a)(3).**
- (14) Judge of a small claims court.
- (15) Constable of a small claims court.

SECTION 6. IC 3-11-2-12, AS AMENDED BY P.L.2-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 12. The following offices shall be placed on the general election ballot in the following order:

- (1) Federal and state offices:
  - (A) President and Vice President of the United States.
  - (B) United States Senator.
  - (C) Governor and lieutenant governor.
  - (D) Secretary of state.
  - (E) Auditor of state.
  - (F) Treasurer of state.
  - (G) Attorney general.
  - (H) Superintendent of public instruction.
  - (I) United States Representative.
- (2) Legislative offices:
  - (A) State senator.
  - (B) State representative.
- (3) Circuit offices and county judicial offices:
  - (A) Judge of the circuit court, and unless otherwise specified under IC 33, with each division separate if there is more than one (1) judge of the circuit court.
  - (B) Judge of the superior court, and unless otherwise specified under IC 33, with each division separate if there is more than one (1) judge of the superior court.
  - (C) Judge of the probate court.
  - (D) Judge of the county court, with each division separate, as required by IC 33-30-3-3.
  - (E) Prosecuting attorney.
  - (F) Clerk of the circuit court.
- (4) County offices:
  - (A) County auditor.
  - (B) County recorder.
  - (C) County treasurer.
  - (D) County sheriff.
  - (E) County coroner.
  - (F) County surveyor.
  - (G) County assessor.
  - (H) County commissioner.
  - (I) County council member.

- (5) Township offices:
  - (A) Township assessor, **subject to IC 36-2-15-11(a)(3).**
  - (B) Township trustee.
  - (C) Township board member.
  - (D) Judge of the small claims court.
  - (E) Constable of the small claims court.
- (6) City offices:
  - (A) Mayor.
  - (B) Clerk or clerk-treasurer.
  - (C) Judge of the city court.
  - (D) City-county council member or common council member.
- (7) Town offices:
  - (A) Clerk-treasurer.
  - (B) Judge of the town court.
  - (C) Town council member."

Page 51, delete lines 2 through 7.

Page 592, delete lines 29 through 42, begin a new paragraph and insert:

"SECTION 685. IC 36-2-15-5, AS AMENDED BY HEA 1137-2008, SECTION 261, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. (a) The county assessor shall perform the functions assigned by statute to the county assessor, including the following:

- (1) Countywide equalization.
- (2) Selection and maintenance of a countywide computer system.
- (3) Certification of gross assessments to the county auditor.
- (4) Discovery of omitted property.
- (5) In a ~~county~~ **township** in which the transfer of duties to the county assessor:

**(A)** is required by subsection (e); or

**(B)** has been approved in a referendum under subsection (g);

performance of the assessment duties prescribed by IC 6-1.1.

(b) The county assessor shall perform the functions of an assessing official under IC 36-6-5-2 in a township with a township assessor-trustee if the township assessor-trustee:

- (1) fails to make a report that is required by law;
- (2) fails to deliver a property tax record to the appropriate officer or board;
- (3) fails to deliver an assessment to the county assessor; or
- (4) fails to perform any other assessing duty as required by statute or rule of the department of local government finance;

within the time period prescribed by statute or rule of the department or within a later time that is necessitated by reason of another official failing to perform the official's functions in a timely manner.

(c) A township with a township trustee-assessor may, with the consent of the township board, enter into an agreement with:

- (1) the county assessor; or
- (2) another township assessor in the county;

to perform any of the functions of an assessing official. A township trustee-assessor may not contract for the performance of any function for a period of time that extends beyond the completion of the township trustee-assessor's term of office.



(d) A transfer of duties between assessors ~~under subsection (c)~~ does not affect:

- (1) any assessment, assessment appeal, or other official action made by an assessor before the transfer; or
- (2) any pending action against, or the rights of any party that may possess a legal claim against, an assessor that is not described in subdivision (1).

Any assessment, assessment appeal, or other official action of an assessor made by the assessor within the scope of the assessor's official duties before the transfer is considered as having been made by the assessor to whom the duties are transferred.

(e) If:

- (1) for a particular general election after June 30, 2008, the person elected to the office of township assessor or the office of township trustee-assessor has not attained the certification of a level two assessor-appraiser; or
- (2) for a particular general election after January 1, 2010, the person elected to the office of township assessor has not attained the certification of a level three assessor-appraiser;

as provided in IC 3-8-1-23.6 before the date the term of office begins, the assessment duties prescribed by IC 6-1.1 that would otherwise be performed in the township by the township assessor or township trustee-assessor are transferred to the county assessor on that date. If assessment duties in a township are transferred to the county assessor under this subsection, those assessment duties are transferred back to the township assessor or township trustee-assessor (as appropriate) if at a later election a person who has attained the **required level of certification of a level two assessor-appraiser as provided in IC 3-8-1-23.6 referred to in subdivision (1) or (2)** is elected to the office of township assessor or the office of township trustee-assessor.

(f) If assessment duties in a township are transferred to the county assessor under subsection (e):

- (1) the office of elected township assessor remains vacant for the period during which the assessment duties prescribed by IC 6-1.1 are transferred to the county assessor; and
- (2) the office of township trustee remains in place for the purpose of carrying out all functions of the office other than assessment duties prescribed by IC 6-1.1.

(g) The county legislative body may adopt an ordinance to hold a referendum in a particular township in the county under sections 7.4 through 11 of this chapter to determine whether to transfer to the county assessor the assessment duties prescribed by IC 6-1.1 that would otherwise be performed by the elected township assessor or township trustee-assessor of the township. An ordinance may not be adopted under this subsection in a year in which an election of township assessors will be held in the county.

(h) If assessment duties prescribed by IC 6-1.1 are transferred from a particular township to the county assessor as the result of a referendum under this chapter, the county legislative body may adopt an ordinance to hold a referendum in that township under section 12 of this chapter to determine whether to transfer those duties back to the elected township assessor or township trustee-assessor in the township.

SECTION 686. IC 36-2-15-7.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 7.4. (a) Assessment duties are transferred to the county assessor as described in section 5(g) of this chapter only if a majority of the individuals in the township who vote in a referendum that is conducted in accordance with this section and sections 8 through 11 of this chapter approves the transfer.**

(b) The question to be submitted to the voters in the referendum must read as follows:

(1) In a township in which there is an elected township assessor:

"Should the assessing duties of the elected township assessor in the township be transferred to the county assessor?".

(2) In a township in which there is a township trustee-assessor:

"Should the assessing duties of the township trustee-assessor in the township be transferred to the county assessor?".

SECTION 687. IC 36-2-15-8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 8. (a) The county legislative body shall act under IC 3-10-9-3 to certify the question to be voted on at the referendum under this chapter to the county election board.**

(b) Each county clerk shall, upon receiving the question certified by the county legislative body under subsection (a), call a meeting of the county election board to make arrangements for the referendum.

(c) The referendum shall be held in the next primary or general election in which all the registered voters who are residents of the township in which the referendum is held are entitled to vote after certification of the question under IC 3-10-9-3.

(d) The county legislative body shall advise the county election board of the date on which the county legislative body desires that the referendum be held, and, if practicable, the referendum shall be held on the day specified by the county legislative body.

(e) The referendum shall be held under the direction of the county election board, which shall take all steps necessary to carry out the referendum.

(f) Not less than ten (10) days before the date on which the referendum is to be held, the county election board shall cause notice of the question that is to be voted upon at the referendum to be published in accordance with IC 5-3-1.

SECTION 688. IC 36-2-15-9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 9. Each county election board shall cause:**

(1) the question certified to the circuit court clerk by the county legislative body to be placed on the ballot in the form prescribed by IC 3-10-9-4; and

(2) an adequate supply of ballots and voting equipment to be delivered to the precinct election board of each precinct in which the referendum under this chapter is to be held.

SECTION 689. IC 36-2-15-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 10. The individuals entitled to vote in a referendum under this chapter are all the registered voters resident in the township in which the referendum is held.**

SECTION 690. IC 36-2-15-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 11. (a) Each precinct election board shall count the affirmative votes and the negative votes cast in the referendum under this chapter and shall certify those two (2) totals to the county election board of the county. The circuit court clerk of the county shall, immediately after the votes cast in the referendum have been counted, certify the results of the referendum to the county legislative body. Upon receiving the certification of all the votes cast in the referendum, the county legislative body shall promptly notify the department of local government finance of the result of the referendum. If a majority of the individuals who voted in the referendum voted "yes" on the referendum question:**

**(1) the county legislative body shall promptly notify:**

- (A) the county assessor;**
- (B) the elected township assessor or the township trustee-assessor in the township; and**
- (C) each candidate in an election described in subsection (b);**

**of the results of the referendum;**

**(2) with respect to a particular elected township assessor or township trustee-assessor in the county, the assessment duties prescribed by IC 6-1.1 are transferred to the county assessor on the expiration date of:**

- (A) the elected township assessor's term of office; or**
  - (B) the township trustee-assessor's term of office;**
- that next succeeds the date of the referendum; and**
- (3) the office of elected township assessor remains vacant for the period during which the assessment duties prescribed by IC 6-1.1 are transferred to the county assessor.**

**(b) If:**

- (1) an election is held in a general election of an elected township assessor;**
  - (2) a referendum is held under this chapter in the same general election concerning the transfer of assessment duties prescribed by IC 6-1.1 from the township assessor to the county assessor; and**
  - (3) a majority of the individuals who voted in the referendum voted "yes" on the referendum question;**
- the results of the election of the elected township assessor are nullified.**

SECTION 691. IC 36-2-15-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 12. If the county legislative body adopts an ordinance under section 5(h) of this chapter, a referendum shall be held in the manner provided in sections 7.4 through 11 of this chapter, except as follows:**

**(1) The question to be submitted to the voters in the referendum must read as follows:**

**(A) In a township in which an elected township assessor would serve:**

**"Should the assessing duties of the county assessor be transferred to the elected township assessor of the township?"**

**(B) In a township in which a township trustee-assessor would serve:**

**"Should the assessing duties of the county assessor be transferred to the township trustee-assessor of the township?"**

**(2) The candidates for elected township assessor or township trustee-assessor for the term for which the assessment duties prescribed by IC 6-1.1 will be transferred are selected in the first primary election that succeeds by at least six (6) months the date the ordinance was adopted under section 5(h) of this chapter."**

Delete page 593.

Page 594, delete lines 1 through 19.

Page 602 delete lines 7 through 42, begin a new paragraph and insert:

"SECTION 701. IC 36-6-5-1, AS AMENDED BY HEA 1137-2008, SECTION 262, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 1. (a) Except as provided in ~~subsection (f)~~, subsections (f) and (g), a township assessor shall be elected under IC 3-10-2-13 by the voters of each township having:**

- (1) a population of more than eight thousand (8,000); or**
- (2) an elected township assessor or the authority to elect a township assessor before January 1, 1979.**

**(b) Except as provided in ~~subsection (f)~~, subsections (f) and (g), a township assessor shall be elected under IC 3-10-2-14 in each township having a population of more than five thousand (5,000) but not more than eight thousand (8,000), if the legislative body of the township:**

- (1) by resolution, declares that the office of township assessor is necessary; and**
- (2) the resolution is filed with the county election board not later than the first date that a declaration of candidacy may be filed under IC 3-8-2.**

**(c) Except as provided in ~~subsection (f)~~, subsections (f) and (g), a township government that is created by merger under IC 36-6-1.5 shall elect only one (1) township assessor under this section.**

**(d) The township assessor must reside within the township as provided in Article 6, Section 6 of the Constitution of the State of Indiana. The assessor forfeits office if the assessor ceases to be a resident of the township.**

**(e) The term of office of a township assessor is four (4) years, beginning January 1 after election and continuing until a successor is elected and qualified. However, the term of office of a township assessor elected at a general election in which no other township officer is elected ends on December 31 after the next election in which any other township officer is elected.**

**(f) A person who runs for the office of township assessor in an election after June 30, 2008, is subject to IC 3-8-1-23.6.**

**(g) A township assessor is not elected under this section for a township in which the county assessor performs the assessing duties under IC 36-2-15.**

SECTION 702. IC 36-6-5-2, AS AMENDED BY P.L.219-2007, SECTION 118, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. (a) This section applies to townships that do not have an elected or appointed and qualified township assessor.

(b) Except as provided in subsection (c), the township executive shall perform all the duties and has all the rights and powers of assessor.

(c) If a township qualifies under ~~IC 36-6-5-1~~ **section 1 of this chapter** to elect a township assessor, the executive shall continue to serve as assessor until

- (1) an assessor is appointed or elected and qualified; or
- (2) the duties of the township assessor are transferred to the county assessor as described in IC 6-1.1-1-24.

(d) The bond filed by the executive in the capacity as executive also covers the executive's duties as assessor.

(e) Subsection (b) does not apply if the duties of the **township executive who would otherwise perform the duties of township assessor** have been transferred to the county assessor as described in IC 6-1.1-1-24 **or IC 36-2-15**.

SECTION 703. IC 36-6-5-3, AS AMENDED BY P.L.219-2007, SECTION 119, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) Except as provided in subsection (b), the assessor shall perform the duties prescribed by statute, including assessment duties prescribed by IC 6-1.1.

(b) Subsection (a) does not apply if the duties of the township assessor have been transferred to the county assessor as described in IC 6-1.1-1-24 **or IC 36-2-15**."

Delete page 603 through 604.

Page 605, delete lines 1 through 29.

Page 745, line 36, delete "IC 6-1.1-1-5.5; IC 6-1.1-1-22.7;".

Page 761, delete line 42.

Page 762, delete lines 1 through 31.

Page 763, delete lines 35 through 42.

Delete page 764.

Page 765, delete lines 1 through 14.

Renumber all SECTIONS consecutively.

(Reference is to EHB 1001 as printed February 20, 2008.)

LANDSKE

Upon request of Senator Deig the President ordered the roll of the Senate to be called. Roll Call 242: yeas 24, nays 20.

Motion prevailed.

#### SENATE MOTION (Amendment 1001-5)

Madam President: I move that Engrossed House Bill 1001 be amended to read as follows:

Page 37, between lines 41 and 42, begin a new paragraph and insert:

"SECTION 30. IC 5-1-19 IS ADDED TO THE INDIANA CODE AS A **NEW CHAPTER** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

#### Chapter 19. Public Approval of Public Debt

Sec. 1. (a) This chapter applies only if both of the following apply:

- (1) The principal amount of the debt is at least twenty-five million dollars (\$25,000,000).
- (2) The debt is to be issued or entered into after June 30, 2011.

(b) This chapter does not apply to debt issued or entered into that:

- (1) is in response to:
  - (A) a natural disaster;
  - (B) an accident; or
  - (C) an emergency;
 that makes a building or facility unavailable for its intended use; and
- (2) is approved by the budget agency.

Sec. 2. As used in this chapter, "debt" refers to:

- (1) bonds;
- (2) a lease with an option to purchase;
- (3) a lease rental agreement; or
- (4) any other debt instrument;

entered into or issued by a state entity if any of the principal or interest is to be repaid by funds appropriated by the general assembly.

Sec. 3. (a) As used in this chapter, "state entity" refers to any of the following:

- (1) A state educational institution (as defined in IC 21-7-13-32).
- (2) A separate body corporate and politic established by law that has authority to issue or enter into debt.
- (3) Any other body established by law that has authority to issue or enter into debt.

(b) The term does not include a political subdivision.

Sec. 4. As used in this chapter, "declaration of intention to issue debt" refers to the statement that a state entity is required to file under section 5 of this chapter.

Sec. 5. (a) Before a state entity issues or enters into debt, the state entity must file a declaration of intention to issue debt with the secretary of state.

(b) A declaration of intention to issue debt must include the following information:

- (1) The name of the state entity.
- (2) The amount of the principal of the debt to be issued or entered into.
- (3) The anticipated amount of interest or other financing cost to be incurred over the term of the debt instrument.
- (4) The term of the debt instrument.
- (5) The purposes for which the debt is to be issued or entered into.
- (6) A summary of the legal procedures required by law (other than this chapter) for entering into the debt.
- (7) A statement that all legal procedures described under subdivision (6) have been completed.

(c) A declaration of intention to issue debt must be signed by an officer of the state entity authorized by the state entity to file the statement.

Sec. 6. If the secretary of state receives a declaration of intention to issue debt before August 1 of a year in which a general election is held, the election division shall certify the following public question to the county election board of each county not later than August 20 before the general election:

"Shall (insert the name of the state entity) be authorized to issue debt in the amount of (insert the principal amount of the proposed debt) for the purpose of (insert the purpose of the debt)?".

Sec. 7. IC 3, except where inconsistent with this chapter, applies to a public question placed on the ballot under this chapter.

Sec. 8. If a majority of the voters of the state who vote on the public question vote in favor of a public question placed on the ballot under this chapter, the state entity may issue or enter into the debt for the purposes described in the declaration of intention to issue debt filed under section 5 of this chapter.

Sec. 9. If a majority of the voters of the state who vote on the public question vote in opposition to a public question placed on the ballot under this chapter, the state entity may not issue or enter into debt for any purpose described in the statement of intention to issue debt filed under section 5 of this chapter until issuance of debt for that purpose is authorized as provided in this chapter."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1001 as printed February 20, 2008.)

BECKER

Motion failed.

SENATE MOTION  
(Amendment 1001-1)

Madam President: I move that Engrossed House Bill 1001 be amended to read as follows:

Page 140, between lines 23 and 24, begin a new paragraph and insert:

"SECTION 139. IC 6-1.1-15-12.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: **Sec. 12.5. (a) If a township assessor determines that the township assessor has made an error concerning:**

- (1) the assessed valuation of property;
- (2) the name of a taxpayer; or
- (3) the description of property;

**in an assessment, the township assessor shall on the township assessor's own initiative correct the error. However, the township assessor may not increase an assessment under this section. The township assessor shall correct the error in the assessment without requiring the taxpayer to file a notice with the county board requesting a review of the township assessor's original assessment.**

**(b) If a township assessor corrects an error under this section, the township assessor shall give notice of the correction to the taxpayer, the county auditor, and the county board.**

(c) Subject to subsection (d), if a correction under this section results in a reduction of the amount of an assessment of a taxpayer's property, the taxpayer is entitled to a credit on the taxpayer's next tax installment equal to the amount of any overpayment of tax that resulted from the incorrect assessment.

(d) If the amount of the overpayment of tax exceeds the taxpayer's next tax installment, the taxpayer is entitled to:

- (1) a credit in the full amount of the next tax installment; and
- (2) credits on succeeding tax installments until the taxpayer has received total credits equal to the amount of the overpayment."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1001 as printed February 20, 2008.)

ZAKAS

Motion prevailed.

SENATE MOTION  
(Amendment 1001-4)

Madam President: I move that Engrossed House Bill 1001 be amended to read as follows:

Page 216, delete lines 14 through 25.

Page 216, delete lines 33 through 42.

Delete page 217 through 219.

Page 220, delete lines 1 through 11.

Page 220, line 16, delete "after 2009." and insert "**in 2009 and thereafter.**"

Page 220, line 18, after "person's" delete ":" and insert "**homestead exceeds one percent (1%) of the gross assessed value of the property that is the basis for determination of property taxes for that calendar year.**"

Page 220, delete lines 19 through 27.

Page 746, line 25, after "IC 6-1.1-19-13;" insert "IC 6-1.1-20.6-4; IC 6-1.1-20.6-7;"

Renumber all SECTIONS consecutively.

(Reference is to EHB 1001 as printed February 20, 2008.)

MRVAN

Upon request of Senator Mrvan the President ordered the roll of the Senate to be called. Roll Call 243: yeas 15, nays 28.

Motion failed.

SENATE MOTION  
(Amendment 1001-15)

Madam President: I move that Engrossed House Bill 1001 be amended to read as follows:

Page 437, delete lines 15 through 37, begin a new paragraph and insert:

**"Sec. 4. For each year after 2008, a school corporation is entitled to a grant under this chapter equal to the school corporation's circuit breaker replacement amount.**

**Sec. 5. (a) A school corporation's circuit breaker replacement amount for a particular calendar year is equal to the result of:**

**(1) the amount of credits granted against the school corporation's combined levy for the school corporation's debt service fund, capital projects fund, transportation fund, school bus replacement fund, and racial balance fund for a particular year; multiplied by (2) ninety-five hundredths (0.95).**

**(b) An amount sufficient to provide the grants under this chapter is annually appropriated to the department of education from the state general fund."**

Page 438, delete lines 8 through 15, begin a new paragraph and insert:

**"Sec. 8. Subject to section 9 of this chapter, the department shall distribute a school corporation's grant for a year in two (2) equal installments. The installments shall be paid, respectively, not later than:**

**(1) June 20; and**

**(2) December 20;**

**of the calendar year."**

Page 773, delete lines 41 through 42.

Page 774, delete lines 1 through 8.

Renumber all SECTIONS consecutively.

(Reference is to EHB 1001 as printed February 20, 2008.)

BRODEN

Upon request of Senator Sipes the President ordered the roll of the Senate to be called. Roll Call 244: yeas 16, nays 27.

Motion failed.

SENATE MOTION  
(Amendment 1001-22)

Madam President: I move that Engrossed House Bill 1001 be amended to read as follows:

Page 607, between lines 1 and 2, begin a new paragraph and insert:

"SECTION 699. IC 36-6-6-13.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 13.5. (a) A special meeting may be held by the legislative body if the executive, the chairman of the legislative body, or a majority of the members of the legislative body issue a written notice of the meeting to each member of the legislative body. The notice must state the time, place, and purpose of the meeting.**

**(b) The legislative body may consider any matter at a special meeting. However, the only matters that may be acted on at the special meeting are the matters set forth in the notice.**

SECTION 700. IC 36-6-6-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 14. (a) A special meeting may be held by the legislative body if the executive, the chairman of the legislative body, or a majority of the members of the legislative body issue a written notice of the meeting to each member of the legislative body. The notice must state the time, place, and purpose of the meeting.**

**(b) At the any special meeting, if two (2) or more members give their consent, the legislative body may determine whether there is an a need for fire and emergency services or another emergency requiring the expenditure of money not included in**

the township's budget estimates and levy.

**(b) Subject to section 14.5 of this chapter, if the legislative body finds that such an a need for fire and emergency services or another emergency exists, it may issue a special order, entered and signed on the record, authorizing the executive to borrow a specified amount of money sufficient to meet the emergency.**

**(c) Notwithstanding IC 36-8-13-4(a), the legislative body may authorize the executive to borrow a specified sum from a township fund other than the township firefighting fund if the legislative body finds that the emergency requiring the expenditure of money is related to paying the operating expenses of a township fire department or a volunteer fire department. At its next annual session, the legislative body shall cover the debt created by making a levy to the credit of the fund for which the amount was borrowed under this subsection.**

**(d) In determining whether a fire and emergency services need exists requiring the expenditure of money not included in the township's budget estimates and levy, the legislative body and any reviewing authority considering the approval of the additional borrowing shall consider the following factors:**

**(1) The current and projected certified and noncertified public safety payroll needs of the township.**

**(2) The current and projected need for fire and emergency services within the jurisdiction served by the township.**

**(3) Any applicable national standards or recommendations for the provision of fire protection and emergency services.**

**(4) Current and projected growth in the number of residents and other citizens served by the township, emergency service runs, certified and noncertified personnel, and other appropriate measures of public safety needs in the jurisdiction served by the township.**

**(5) Salary comparisons for certified and noncertified public safety personnel in the township and other surrounding or comparable jurisdictions.**

**(6) Prior annual expenditures for fire and emergency services, including all amounts budgeted under this chapter.**

**(7) Current and projected growth in the assessed value of property requiring protection in the jurisdiction served by the township.**

**(8) Other factors directly related to the provision of public safety within the jurisdiction served by the township.**

**(e) If the township received additional funds under this chapter in the immediately preceding budget year for an approved expenditure, any reviewing authority shall take into consideration the use of the fund in the immediately preceding budget year and the continued need for funding the services and operations to be funded with the proceeds of the loan.**

SECTION 701. IC 36-6-6-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 15. (a) If the legislative body finds that an emergency requires the borrowing of money to meet the township's current expenses, it may take**

out temporary loans in an amount not more than ~~fifty~~ **eighty** percent ~~(50%)~~ **(80%)** of the total anticipated revenue for the remainder of the year in which the loans are taken out.

(b) The legislative body must authorize the temporary loans by a resolution:

- (1) stating the nature of the consideration for the loans;
- (2) stating the time the loans are payable;
- (3) stating the place the loans are payable;
- (4) stating a rate of interest;
- (5) stating the anticipated revenues on which the loans are based and out of which they are payable; and
- (6) appropriating a sufficient amount of the anticipated revenues on which the loans are based and out of which they are payable for the payment of the loans.

(c) The loans must be evidenced by time warrants of the township stating:

- (1) the nature of the consideration;
- (2) the time payable;
- (3) the place payable; and
- (4) the anticipated revenues on which they are based and out of which they are payable."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1001 as printed February 20, 2008.)

MERRITT

Motion prevailed. The bill was ordered engrossed.

#### SENATE MOTION

Madam President: I move that Senator Steele be added as second sponsor of Engrossed House Bill 1052.

RIEGSECKER

Motion prevailed.

#### SENATE MOTION

Madam President: I move that Senator Dillon be added as cosponsor of Engrossed House Bill 1125.

KENLEY

Motion prevailed.

#### SENATE MOTION

Madam President: I move that Senator Dillon be added as cosponsor of Engrossed House Bill 1001.

KENLEY

Motion prevailed.

#### SENATE MOTION

Madam President: I move that Senators Errington and Breau be added as cosponsors of Engrossed House Bill 1169.

DILLON

Motion prevailed.

#### SENATE MOTION

Madam President: I move that Senator Lubbers be added as

cosponsor of Engrossed House Bill 1210.

SIPES

Motion prevailed.

#### SENATE MOTION

Madam President: I move that Senator Simpson be added as coauthor of Senate Resolution 35.

WYSS

Motion prevailed.

#### SENATE MOTION

Madam President: I move that Senators Alting, Arnold, Becker, Boots, Bray, Breau, Broden, Charbonneau, Deig, Delph, Dillon, Drozda, Errington, Ford, Gard, Hershman, Howard, Hume, Jackman, Kenley, Kruse, Lanane, Landske, Lawson, Lewis, Long, Lubbers, Meeks, Merritt, Miller, Mishler, Mrvan, Nugent, Paul, Riegsecker, Rogers, Simpson, Sipes, Skinner, Smith, Steele, Tallian, Walker, Waterman, Weatherwax, Wyss, M. Young, R. Young, and Zakas be added as coauthors of Senate Resolution 20.

WALTZ

Motion prevailed.

### MOTIONS TO DISSENT FROM HOUSE AMENDMENTS

#### SENATE MOTION

Madam President: I move that the Senate dissent to the House Amendments to Engrossed Senate Bill 164 and that a conference committee be appointed to confer with a like committee of the House.

MILLER

Motion prevailed.

#### MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has passed, without amendments, Engrossed Senate Bill 249 and the same is herewith returned to the Senate.

CLINTON MCKAY  
Principal Clerk of the House

#### MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has passed Senate Concurrent Resolutions 15 and 23 and the same are herewith returned to the Senate.

CLINTON MCKAY  
Principal Clerk of the House

#### MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has passed Engrossed Senate Bills 10 and

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42 with amendments and the same are herewith returned to the Senate for concurrence.

CLINTON MCKAY  
Principal Clerk of the House

**MESSAGE FROM THE PRESIDENT PRO TEMPORE  
OF THE INDIANA STATE SENATE**

Madam President and Members of the Senate: I have on February 25, 2008, signed House Enrolled Acts: 1016, 1067, 1112, 1120, 1129, 1145, 1156, 1193, 1202, 1203, 1213, 1227, 1234, 1243, 1244, and 1253.

DAVID C. LONG  
President Pro Tempore

**MESSAGE FROM THE PRESIDENT PRO TEMPORE  
OF THE INDIANA STATE SENATE**

Madam President and Members of the Senate: I have on February 25, 2008, signed Senate Enrolled Act 190.

DAVID C. LONG  
President Pro Tempore

**MESSAGE FROM THE PRESIDENT  
OF THE SENATE**

Members of the Senate: I have on the 21st day of February, 2008, signed Senate Enrolled Acts: 133 and 219.

REBECCA S. SKILLMAN  
Lieutenant Governor

**MESSAGE FROM THE GOVERNOR**

Madam President and Members of the Senate: On February 22, 2008, I signed the following enrolled acts into law: SEA 33, 41, 88, 156, and 210.

MITCHELL E. DANIELS, JR.  
Governor

**SENATE MOTION**

Madam President: I move we adjourn until 1:30 p.m., Tuesday, February 26, 2008.

LONG

Motion prevailed.

The Senate adjourned at 7:16 p.m.

MARY C. MENDEL  
Secretary of the Senate

REBECCA S. SKILLMAN  
President of the Senate